The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Anglo-Japanese Cooperation---Renewed "Recognition" Propaganda

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The Future of China's Policy Toward Japan . By C. Y. W. Meng

Wang Ching-wei's Reported Resignation and Possible Political Changes . . . . . By Paul K. Whang

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Formerly Millard's Review

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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OFFICIAL U. S. RESPONSIBILITY FOR RAVEN SCANDAL?

FRANK J. RAVEN'S American-Oriental Banking Corporation, now in process of liquidation by the U.S. Court authorities, had a capital of about $2,500,000 silver, but it is now generally known that the bank loaned approximately $2,400,000 to one client. The client was an automobile concern which under the most advantageous conditions probably could never have raised one-third of the sum which it owed to the bank. According to common report the motor car company is practically insolvent; hence the $2,400,000 loan is probably a total loss. There allegedly were other loans just as hazardous as this one, but the point involved is that under American banking laws no bank is permitted to lend more than 10 percent of its capital to any one client. This law is common to practically all of the states of the American Union, but whether it could be applied under American exterritorial jurisdiction here cannot be stated. The fact that the Raven bank carried a $2,400,000 loan on its books which Mr. Raven as well as the directors must have known was uncollectible, while claiming the bank made a profit of $600,000 last year, was strange banking practice to say the least. What apparently happened was that the bank carried on its books a considerable number of "dead" loans which the directors did not have sufficient courage to write off, because if they had been written off as losses, as they should have been, it would have exposed the bank's real condition and that would have precipitated a run and closure of the institution.

How long this situation existed is not known, but according to a recent statement of the Liquidator, Frank L. Hough, the bank has been insolvent since 1932. Others have charged that the bank never was solvent, but managed to carry on because new deposits kept coming in. Had there been any official inspection of American banks in Shanghai this scandalous situation could never have developed, but there was no inspection and the situation did develop and was permitted to continue, to the end that thousands of innocent persons have been reduced to poverty and misery. The fact that Raven has tried to place the blame for the collapse of his banking-realty-brokerage

pyramid upon President Roosevelt's silver policy constitutes a challenge to American officialdom that cannot be ignored, except at the sacrifice of America's good name as an honest trader and square dealer in the marts of the Orient.

Liquidator Hough has also stated that conditions surrounding the operation of two other Raven concerns were even worse. The reference was to American-Oriental Finance Corporation, a brokerage concern, and the Raven Trust Company. Despite the fact that these two concerns handled millions of the public's money, there literally was little left after the collapse, excepting a few desks, chairs, filing cabinets and typewriters. In an article dealing with the so-called Raven "enterprises" which appeared in the magazine *Fortune* last January, it was claimed that the total assets amounted to $70,000,000. Since that figure was, in all probability supplied to the editor of *Fortune* by Mr. Raven or some of his associates, one naturally wonders what has happened to all these claimed resources. It is true that the Asia Realty Company, one of the bankrupt Raven interests, does possess some assets, but only a very small percentage of the claimed assets. The Asia Realty as well as American-Oriental Finance and Raven Trust were incorporated under the regulations of the China Trade Act, a law which provides for the residence of a companies registrar in Shanghai. It would be interesting to know just what type of reports the Raven interests filed, or were supposed to file, under the Trade Act regulations.

In view of these various circumstances it would seem that the Raven scandal would well merit an official investigation by the authorities at Washington. We have no desire to embarrass the work of the official Liquidator, appointed by the U.S. Court, but it would seem to be a logical development that the Department of Justice in Washington be requested to send an investigator here who would be armed with authority to get at the bottom of the scandal and fix the real responsibility. At any rate such an investigation could not interfere with Mr. Hough's work as liquidator, but would only be concerned with certain larger phases of the situation which are outside the scope of the Court Liquidator anyway.

Renewed Drive to Force China's Recognition of Puppet State

H. G. W. WOODHEAD, who recently wrote so optimistically about the future prospects of the South Manchuria railway in its forthcoming economic drive into North China under the leadership of Yosuke Matsuoka is again advocating China's recognition of the puppet state of Manchukuo. Woodhead's latest appeal for China's recognition of Japan's theft of the northeastern provinces, appeared, curiously enough, in connection with an article which he contributed to the *Shanghai Evening Post* on August 10, on the subject of Anglo-Japanese cooperation. We quote this British "die-hard" editor's remarks on this subject because they link up with certain other developments which may, or may not become important in the not too distant future:

> "It is at least conceivable that the Japanese Government might make formal recognition of Manchukuo a condition of Anglo-Japanese cooperation. It is unlikely that the British Government, in view of its pledges at Geneva would agree. But the mere rumor that this issue was under discussion would prejudice Chinese opinion against the Conference and its recommendations. The wisdom of perpetuating the non-recognition policy may be open to question. But the only means by which it can be modified would appear to be on China's own initiative. This, so it seems to me, is not a matter for bargaining, but for the exercise of commonsense. Manchukuo exists as an entity—whether one regards it as an independent State or a Japanese Protectorate—and will continue to exist. Non-recognition might have been a sound policy when there still appeared to be some prospect that Japan might be restrained from proceeding with the project of establishing the new State by international disapproval. That hope has vanished. China has found herself constrained by force of circumstances to accord many forms of *de facto* recognition. The gap between that and *de jure* recognition has been narrowed until it is really difficult to see what disadvantage would accrue from taking the final plunge. And if Chinese took it the Powers that have pledged themselves to the non-recognition policy would be relieved of further obligation to maintain it. From their point of view its maintenance is becoming more and more embarrassing. It stultified their efforts to oppose the Oil Monopoly. It will again arise in an acute form if, as is now proposed, the Manchukuo Government abolishes extraterritorial rights. In fact it is harly too much to say that today a great step forward in stabilizing conditions in the Far East would be taken if China, however distasteful such a course might be, gave way on the question of recognition. But that is a mattter for her to decide, and not for coercion or barbaining, least of all by Great Britain. She must consider it entirely from the point of view of her own interests. And it can only, here, be suggested that it constitutes the only means by which recurring Sino-Japanese crises in the Northern Provinces of China can be averted."

The other significant event, of which very little has appeared in the press of the Far East, was the departure from England a few days ago of Sir Reginald F. Johnstone, former tutor to Henry Pu-Yi, who is bound for Manchukuo where he plans to spend several weeks as the guest of the recidivist Manchu "emperor." Sir Reginald Johnson apparently sailed for the Far East on the same steamer (Empress of Britain) upon which another illustrious Briton is traveling. We refer to Sir F. Leith-Ross, British economic expert, about whom so much has appeared in the local foreign newspapers recently. But Sir Reginald Johnson's mission, which may be of far greater consequence in political developments in the Far East, only received about 3-inches of type on one of the inside pages of the local foreign newspapers. The brief *Reuter* report from London, dated July 27, which told of his departure and of his intention to proceed to Changchun as the guest of Pu-Yi, stated that Johnson had been private tutor to the Manchu "boy-emperor" between 1919 and

1925. . . . "and had it not been for Sir Reginald, there is little doubt but that Emperor Kang Teh would have met death at the hands of Feng Yu-hsiang when the 'Christian General' seized Peiping in 1924. . . . By a clever ruse, Sir Reginald succeeded in getting his pupil inside the Legation quarter where he was safe from Marshal Feng's soldiers."

Since Sir Reginald F. Johnstone is now 61 years old it would be rather unusual for him to engage in Manchurian adventures so late in life, but despite the age handicap there appears to be considerable evidence, not all circumstantial, that a further and possibly still more thrilling chapter may be in store for "emperor" Pu-Yi, whom Johnson claims should not be addressed by the barbaric name of "Henry." Sir Reginald wrote a book about Pu-Yi last year which carried the title, "Twilight in the Forbidden City," (see review published Aug. 11, 1934, Page 438) which was in many respects significant because the dedication forecasted the dawn of a "new and happier day for 'His Majesty, the Emperor Pu-Yi,' and also for his people on both sides of the Great Wall." Space is not available for an extended reference to Sir Reginald's book which was fully reviewed in these columns, but briefly this former British civil service official and tutor to Pu-Yi painted his former pupil in bright colors and also tried to convince his readers that Pu-Yi possesses character and is not the "puppet" of a gang of Japanese military adventurers as most persons think. Pu-Yi himself constributed a preface to Johnstone's book which contains the strange, and almost unbelievable information, that he (Johnstone) was chiefly responsible for Pu-Yi's action in seeking refuge in the Japanese Legation in Peiping after Pu-Yi had been driven from the Forbidden City by the troops of the Christian General, Feng Yu-hsiang. In the preface Johnstone is given full credit for rescuing Pu-Yi from the "wild soldiery" and for arranging for the Manchu "boy-emperor" to enter the Japanese legation for safety, the Japanese minister at that time (1934) being K. Yoshizawa. Thus we have the strange spectacle of a representative of one imperialist nation, Britain, handing over to the representative of another, for safe keeping the ousted and discredited ruler of a third state, with which both Britain and Japan were supposed to be in friendly diplomatic relationship. It is possible that the British authorities in Peiping regarded Pu-Yi as "too hot to handle" at that particular time because the Chinese authorities claimed to have evidence of another restoration plot similar to that of Gen. Chang Hsun in 1917. Since the Anglo-Japanese Alliance was still in effect at that time, it is quite possible that the Japanese were most happy to oblige their British friends by taking over Pu-Yi for safe keeping, but Johnson's job as teacher stopped that day and his contract never was renewed. A few months later Pu-Yi was smuggled to Tientsin where he lived in a carefully guarded residence in the Japanese concession, the only non-Japanese visitors apparently being ex-tutor Johnson and the then editor of the British *Peiping and Tientsin Times*, H. G. W. Woodhead, who, as stated in the opening paragraph of this discussion, has again advocated China's recognition of the puppet state of Manchukuo.

There are numerous rumors in circulation regarding possible developments in North China in the early future, but one rumor at least has advanced from possibility to actuality: that concerns Japan's plans to create a new government in North China embracing the provinces of Hopei, Shantung, Shansi, Chahar and Suiyuan. The Japanese military attache in Peiping, Major Tan Takahashi, went to Taiyuanfu and invited Gen. Yen Hsi-shan, chairman of the Shansi provincial government to go to Peiping and head the new regime, but Gen. Yen, although reputedly pro-Japanese, declined the honor. The Japanese then announced their intention of appointing a Chinese civilian as head of their new independent regime in the North, but most of the rumors regarding Japanese plans for that region are coupled with the name of Henry Pu-Yi. Whether the Japanese intend to bring him to Peiping and put him back on the Dragon Throne which he once occupied for about 10 days in 1917, or whether they intend to annex the northern provinces to Manchukuo, is not known. But Pu-Yi has a definite place in the picture and it was more than a coincidence that Sir Reginald Johnstone ex-tutor to Pu-Yi should have decided to visit his former student at this particular time and travel to the Far East in company with Sir. F. Leith-Ross, British economic expert, whose trip to Japan has started all kinds of rumors about a revival of the Anglo-Japanese alliance and cooperation of the two countries in dealings with China.

The Tokyo newspaper, *Yomiuri Shimbun*, on July 31, declared that after a new regime had been set up in North China and its status clarified, it would then be possible to adjust economic rapprochement between China, Japan and Manchukuo. This statement was somewhat ambiguous, particularly the reference to the "clarification" of the status of the new regime in North China which Japan intends to set up. But there was no ambiguity in the final paragraph in the *Yomiuri's* editorial which stated that the Japanese ambassador Akira Ariyoshi would shortly propose to Nanking the definite recognition of Manchukuo, and if Nanking persisted in its anti-Japanese attitude "under the comouflage of friendliness, it would inevitably bring ruin upon China."

There have been numerous developments of a mysterious nature in North China since the recent Japanese military "drive" into that region, not the least being the asserted right of Japanese military officials to arrest and punish Chinese officials who fail to carry out Japan's orders. But of much significance from the standpoint of China's recognition of the puppet state was a *Rengo* message from Changchun on August 7 stating that Manchukuo was planning to send to Peiping an "unofficial mission" which would not perform the functions of a consulate "under present circumstances," but which would, nevertheless

have the right to issue passport visaes. A further message in the *Shun Pao* (Shanghai), on August 10 stated that the Japanese "foreign office" branch which previously functioned in Kupeikow (gateway in Great Wall northeast of Peiping) would be removed to Peiping in the near future, the purpose being to look after the interests of Japanese (from Manchukuo) who reside in the Peiping area.

Mystery of Japanese Military Support For Wang Ching-wei

THE resignation of Wang Ching-wei, chairman of the Executive Yuan and concurrently Foreign Minister, became known in Shanghai at about noon of August 9, the news having been telegraphed here from Tsingtao where Mr. Wang had gone for rest and medical treatment. Shortly after the news had been received in Shanghai the Japanese *Rengo* service circulated a long report quoting a spokesman of the Japanese military attache's office here which in many respects carried the force of an ultimatum to Gen. Chiang Kai-shek demanding the reinstatement of Wang. The *Rengo* message did not mention the name of the Japanese military spokesman, but it could have been no other than Lieut.-Gen. R. Isogaya, military attache, or his assistant, Lt.-Col. S. Kagesa, who is the direct representative of the Kwantung army.

Gen. Isogaya declared that Gen. Chiang Kai-shek's dealing with the Wang resignation would provide an "accurate barometer" of Chiang's attitude toward Japan. Continuing, Gen. Isogaya admitted that Wang's policies in handling the situation in North China had caused him to be violently criticised by certain members of the Government and that his continuance in office could easily lead to complications at the forthcoming Sixth Plenary meeting of the Central Executive Committee. The Japanese warlord then declared, "The entire issue lies in the attitude of Gen. Chiang. I do not think Mr. Wang will reject Gen. Chiang's request for a reconsideration of his intention to quit if the latter (Chiang) is sincere in his pleading. . . . It is possible that Mr. Wang may have expressed his intention to resign in order to call for a showdown with respect to Gen. Chiang's attitude toward Japan. Consequently, the attitude which the Generalissimo will take in this situation will not only indicate his stand toward Wang but will also provide an accurate barometer of his attitude toward Japan." The *Rengo* message then quoted "experienced unofficial observers" as giving the following reasons for Wang's decision to resign:

1.—Wang could no longer oppose the strong faction in Nanking governmental circles which recently has started a vigorous campaign against the Foreign Minister. This group is openly advocating a return to the policy of cooperating with the Soviet Union . . . which, if followed similar to the situation between 1924 and 1927, would automatically call for a cessation of the vigorous anti-communist campaign now being followed by the Nanking government.

2.—The vigorous stand adopted by the Japanese military in the North following the murder of a Chinese officer and wounding of a Japanese gendarme within the demilitarized zone had naturally placed Wang in an embarassing position. Wang therefore wanted to show the Japanese authorities that too strong pressure exerted by the Japanese army on the so-called pro-Japanese faction in the Nanking government would make Wang's position untenable.

3.—Wang's position in the government was becoming increasingly difficult because of the apparent belief held by Gen. Chiang that Wang was using Japanese influence to curb the Generalissimo's power at Nanking. This feeling of Gen. Chiang was nurtured by a careful 'whispering campaign' engineered by Wang's opponents who took advantage of Chiang's absence from Nanking.

That the Japanese military authorities were greatly disappointed at Wang's resignation and have been bringing strong pressure for his reinstatement, has been indicated in other quarters. In North China rumors are prevalent that in the event Wang is not reinstated at Nanking he may proceed to Peiping and cooperate in the formation of a new regime which would bid for international recognition as the government of the country. A further report current in North China is to the effect that the Japanese have presented Nanking with a complete program of governmental reorganization. This plan provides for the complete abolition of the Kuomintang party and the creation of a "constitutional" government with a President possessing full power over the military as well as civil affairs. It was alleged that the Japanese military authorities insisted that Wang Ching-wei be made the Chief Executive of the government with the aforementioned powers.

That the Japanese military authorities are deeply concerned over Wang's resignation was indicated in the voluminous reports which the Japanese news services issued from every possible quarter bearing on the subject. There were several references to the so-called "blocs" in the National government and allegations that Wang (alleged leader of the pro-Japanese bloc) had been forced out of office by the American and European groups. In this connection another Japanese spokesman declared that Japanese policy was designed to protect the territorial integrity of China while American and European policy was designed to convert China into colonial dependencies of the Occidental powers. As the *Shanghai Mainichi* put it, "If Gen. Chiang will observe present conditions in the Far East and compare the force of Japan and China he will realize that the European and American powers are trying to enforce joint control and the colonization of China while Japan wants to maintain the independence of China and peace in the Orient."

Also of considerable significance has been Japanese speculation regarding a possible successor for Premier Wang. But it remained for a military spokesman in Tokyo to declare, "Little change in the

Nanking government's policy toward Japan can be seen *because there is no way in which it can be changed.*" Then finally there was the dispatch from Tokyo on Aug. 10 which confidently forecasted that the lack of a suitable and satisfactory successor would "compel" Gen. Chiang Kai-shek to pursuade Wang to reconsider his decision to resign. This dispatch also concluded with the words, "Japan's policy toward China, being based on historical and geographical factors which govern Sino-Japanese relations, *will not be changed no matter who succeeds Mr. Wang.*

THE RED CARPET.

Cartoon by Low in the New York Nation

Japanese press comment on the Wang resignation was far too voluminous for reproduction here, hence only brief extracts can be given. Of much significance, in this connection, was editorial comment in the *Tokyo Asahi Shimbun* which forecasted that the resignation of Wang "would deal a death-blow to Gen. Chiang Kai-shek; hence it it is altogether probable that Gen. Chiang, will do his utmost to induce Mr. Wang to withdraw his resignation."

The Japanese military demand for Wang Ching-wei's reinstatement—with increased power—has created considerable puzzlement in Chinese political circles, despite the fact that practically all reports bearing on the subject have been suppressed by the censors from publication in the Chinese newspapers. In some quarters it is thought that the Japanese warlords are trying to ingratiate themselves with the Nanking Premier for some undisclosed reason. In other places it was thought the real Japanese intention was to discredit Mr. Wang, the Japanese doubtless knowing that the best way to "kill" any political leader in China is to create the impression that he has Japanese support or is to be classed as "pro-Japanese."

There Are More than 160,000,000 Cotton Spinning Spindles in the World To-Day

The usually reliable *World Almanac*, (not only the current issue but in previous issues) has slipped up badly in the statistics it gives as to the number of cotton spindles in the world. Thus on page 362, the 1935 *Almanac* says:

"There are 16,000,000 cotton spindles in the world, of which 3,000,000 are in the United States."

Were the above figures correct, the announcement recently made that Japan expects to have ten million spindles at the end of this year would mean that Japan would have three times as many spindles as the United States!

As a matter of fact (according to estimates made as of July 31, 1931, from returns made to the International Cotton Federation) the world total of cotton spindles was then already more than 162,000,000; and these figures are, of course now four years old. Included in the above total were:—

No. of spindles in U.S.A., 32,676,000:

On the Continent of Europe, 48,466,000; In Great Britain, 54,246,000;

In Japan 7,312,000.

China Issues Regulations Governing Motor Cars Brought in by Visitors from Abroad

A set of regulations governing the entry of foreign-licensed (that is licenses issued by foreign countries, for instance an Amerian who brings his car into China temporarily with an American license plate) motorcars into Chinese territory has been drawn up by the Ministry of Finance. According to these regulations, which consist of 12 articles, any motorcar with a foreign license, upon entry into Chinese territory either for sightseeing or travelling, must submit to inspection by the Chinese Customs authorities. The Customs will attach a special label of approval, after inspection, at a prominent place on the motorcar. A cash deposit will be required to guarantee that this label will not be removed or otherwise tampered with. The deposit will be refunded upon the departure of the car from Chinese territory. However, in case it is discovered that the Customs label has been altered or removed, not only the deposit, but also the motorcar will be confiscated.

Articles brought into Chinese territory by such motor-cars, except the personal necessaries of the passengers, must pay the regular Import duty. The cars must leave Chinese territory within 2 months, the prescribed time-limit. Motorcars conveying public functionaries of a foreign country, who produce the necessary credentials or papers of identification, will be exempt from all taxation upon their entry into Chinese territory. The daily necessaries carried in the cars will also be exempt from taxation. The cars must however leave Chinese territory in two months. In case of absolute necessity the time-limit may be extended. However, such extension must be formally applied for. Any cars that fail to leave the country at the expiration of the time-limit, or to apply for an extension thereof, will be confiscated.

U. S. P. O. Department Asks Bids for Trans-Pacific Mail Service

Actual plans for trans-Pacific airmail and passenger service were set in motion Aug. 12, by the U.S. Post Office Department, which advertised for bids for the proposed San Francisco-Honolulu-Manila-Canton route. The bids will be received up to midnight on October 21. The bids provide for awarding of a contract for ten years, commencing not later than one year after the signing of the contract. Provisions of the contract bids include the following:—Service to be maintained once weekly in each direction. The mail load to be 800 lb. a trip, with additional arrangements for any excess mail carried. If the contracting company shall land voluntarily at any intermediate points on the route, mails shall be carried to and from these intermediate points. Planes must be multi-motored, and of the seaplane type, capable of substaining fifty per cent of their motor power at an altitude of 1,000 ft., with a minimum cruising speed of 125 miles an hour. Planes must have capacity for a minimum of six passengers. The contracting company must arrange, at its own expense, to obtain concessions to operate, landing facilities, lighthouse and radio stations and other aids to navigation.

British Financial Expert Will "Sound" Japan on Aid to China

SIR Frederick Leith-Ross, chief economic expert to the British Government, is now enroute to China. Telegrams from London at the time Sir Frederick sailed from England (Aug. 10) stated that the two principal objectives of his trip are: To propose that China join the sterling bloc, and to pave the way for world-wide Anglo-Japanese cooperation. The *United Press* quoted supposedly well-informed circles in London to the effect that the proposal that China join the sterling bloc envisages a substantial international loan to China, in which Great Britain hopes to secure the participation of the United States, France and Japan. On the same date, the Japanese *Rengo* agency carried a telegram from Tokyo stating that the Nanking Government had recently approached the Hongkong & Shanghai Banking Corporation with a request for a five million pound sterling loan in the form of exchange credits. Official circles in Tokyo were stated to be "paying very serious attention to the report," in view of the forthcoming visit of Sir Frederick Leith-Ross. In the opinion of Tokyo officials the move to borrow from the British bank was initiated by the "so-called European and American faction" in the Central Government.

Various versions are given as to the object of Sir Frederick's visit. His own version is that the object is to see whether, in co-operation with the other countries concerned, any proposals can be framed which would help to restore stable and satisfactory conditions benefitting both China's export trade and foreign traders.

Messages from China to Japanese newspapers early in the month stated that the Japanese Consul-General at Nanking had warned China that Japan's vested rights and interests in China must be respected by China despite arrival of many financial experts in China from Western countries. It was stated that Mr. Suma had called on Dr. H. H. Kung, Minister of Finance, and in the course of an hour's talk expressed the view that Japan was opposed to China's sugar control. This was incidental to stating that Japan is watching with concern the coming arrival of financial experts from Britain, American and France, and stressing that China should not ignore the special relations of China and Japan.

Sir Frederick, accompanied by E. Hallpatch and C. Rogers, high officials respectively of the Treasury and of the Bank of England, sailed from England on Aug. 10 by the *Empress* of *Britain.* Travelling overland across Canada he will make connections at Vancouver August 22 with the *Empress of Asia*, due in Yokohama Sept. 6. He and the members of his mission will stop over in Japan for several days. He is not visiting New York or Washington, but it was reported that Sir Frederick had recently consulted J. Pierpont Morgan, who is at present in Britain. Mr. Halpatch will remain in China in the capacity of financial adviser to the British Embassy.

A *United Press* dispatch from Washington on the eve of the British financial expert's departure from England said that at the same time it was authoritatively stated there that the United States adheres to its previous policy of collective action for the economic welfare and fair treatment for China. High quarters in Washington indicated that they feel the necessity of continuing the Government's silver purchases in accordance with the Congressional mandate. This, at the present time, it was pointed out, precluded collaboration with Sir Frederick Leith Ross's "exploration."

It was also indicated that the U. S. Government feared eventual embarrassment if it became involved in a program which might possibly contradict the Congressional silver objective. No matter what the ultimate position of the U. S. government regarding China's finances might be, its immediate position is that of "detachment."

As regards Sir Fredick's stop-over in Japan telegrams from London stated that he intended keep "an entirely open mind." A *Reuter* message from London Aug. 9 quite *naively* stated:

> "Those conversant with Japanese affairs express the opinion that Japan is ready to discuss the Far Eastern situation with Great Britain with a view to constructive action, but dislikes any idea of an international conference involving complicated operations by other Powers."

The sentence quoted above contains the crux of the whole situation. Japan certainly will fight tooth and nail against any *international* conference having in view an *international* loan to China. The situation which confronts Britain boils down to this:In case Japan holds out against any *international* arrangement in China, shall we (Britain) come to the best arrangement we can with the Japanese, regardless of America or any other country?

In this connection it may be mentioned that we have here in Shanghai the paradoxical situation of the only American-*owned* daily newspaper lending its columns to a British editor to stress such points as that: "Japan does not intend to adopt a subordinate role if international action in China, with a view to assisting her out of her present financial and currency difficulties, is seriously contemplated"; and "No project that relegates Japan to a secondary position *vis-a-vis* China has the slightest prospect of success."

The French service *Havas*—which brings many a new angle to the news from Europe and America—stated that one of the main objects of Sir Frederick's mission to China was to arrange for granting the Nanking Government an international loan to be guaranteed by foreign powers, for the purpose of improving economic conditions in the country. London financial quarters were quoted as saying in this connection that the resumption of railway loans servicing might result

from eventual economic recovery in China. They added that it would be a mistake to apply the proposed international loan toward the repayment of arrears due to British bondholders.

An excellent summary of the situation from the Chinese point of view was given as follows by the Shanghai *Shun Pao* (leading Chinese daily newspaper) Aug. 13:—

"Foreign economic assistance to China takes two forms, namely, individual investment and collective investment. For the consolidation of her economic position in China, Great Britain originally intended to invest capital in China single-handedly. However, this plan met with numerous obstacles. Recently it was reported that London proposed the formation of a consortium for investment in China by Great Britain, America, Italy, France and Japan jointly. The visit of Sir Frederick to China by way of Japan where he will confer with Japanese officials is mainly the result of this recent proposal for collective investment.

"Will Japan consider the collective investment plan? Although, we are not in a position to say anything definite on this matter, the Japanese Government made clear some time ago, its opposition to this proposal. Present activities of Japan in China indicate that Japan is working for the expulsion of foreign interests in the Far East. Not only in Manchuria is Japan advocating a policy of individual investment but also in North China. The so-called Hsin Chung and Hsin Fa Hsiang Banks are now being organized in North China for this very purpose.

"Gigantic plans are underway for the improvement of cotton cultivation in North China. The statement of the director of the General Affairs Department of the Japanese Cotton Mill Owners' Association regarding the domination of the Chinese cotton market in North China deserves close attention by all concerned. All these activities show that Japan is working independently for the economic development of China.

"The differences between Great Britain and Japan are apparent. One hopes for collective investment and the other for individual investment. One wants to develop China as a whole, while the other wants to develop North China first. One advocates negotiations with the Chinese Government for certain economic cooperation while the other goes ahead and works closely with individual Chinese. Judging from these differences is there any chance of success for Sir Frederick's visit in Japan?

"China needs foreign economic assistance at the present time. No matter what form this assistance may take—individual or collective investment it can only be accepted if it will not infringe upon the sovereign rights and independence of the country. Whether or not the investments will be limited to technical and financial assistance and whether the investment will be an absolutely economic proposition or whether they will lead to the international partition of China, are problems of great importance to China."

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A curious reaction to the news of the visit of the British financial expert to China was to be seen in the semi-official Rome *Popolo d'Italia*. This Italian journal had previous to August 10 been making some rather fiery remarks regarding Britain's attitude on the Abyssinian question. On that date, however, it very much moderated its tone as regards the British attitude towards Abyssinia, and instead said that Italy must take strong exception to England measuring things by two standards, permitting Japan's expansion in China while blocking Italy's way to Abyssinia. This was on the assumption that England and Japan could only cooperate in China at the cost of China. *The Popolo* bitterly commented:

"China is also a member of the League of Nations, which was set in motion against Italy, which only wanted to protect her own colonies, but which maintained silence while one-third of China with 120 million inhabitants was placed at the mercy of Japan."

Among those who have injected their ideas into current world economic conditions was James Henry Roberts Cromwell, who in addition to the distinction of being the husband of the reputed richest woman in the world, has written various pamphlets on financial and economic matters. In an interview while he was here in Shanghai this week he said he had written another book during his present trip, on American politics. *Finance and Commerce*, a British financial journal in Shanghai, however, criticized Mr. Cromwell's views, particularly those expressed in his book, "The Lion's Share." Among other things, *Finance and Commerce* commented:

"It will come as news to most of us that Britain has been endeavoring to establish a corner in gold. But there it is. Mr. Cromwell has said it. And the simple fact is that the American silver policy is a daring attempt to smash this corner and thereafter to stabilise the purchasing power of gold by the manipulation of the world's two monetary metals. What are the prospects of the Chinese during the process? "Commodity prices in China," says Mr. Cromwell, "will fall in ratio to the internal rise of silver but it is difficult to see how this will seriously affect the living standards of more than one out of a hundred Chinese." We can only suggest to our American friend that he should leave his dollars in Shanghai and go into the interior and take the role of a Chinese farmer for a few months. When he came to sell his produce for a living wage he might change his views."

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Bad as China's financial situation undoubtedly is, things relatively have changed in recent years very considerably from what they were when the Consortium of 1918 was proposed by the United States. Seventeen years ago the finances of the Western nations, generally speaking, were in a healthy condition—which they certainly are not at present. Although the comparison is not altogether on the same level, the fact remains that here in China, or at least in Shanghai, a request on the Chinese banks or on the private banks for the metal medium called for by the paper currency is honored. That is not the case in most foreign countries at the present time.

Probably no people realize the relative position better than the Chinese themselves, and they, therefore, are likely to look on any proposition from abroad, ostensibly based on altruistic grounds, with the greatest suspicion. As mentioned above the United States has so far adopted a policy of "detachment." That does not mean, of course, that it may not in the end come to an agreement with Britain, and may even be willing to stretch a point here and there rather than lose the chance of harmonizing British and American views. However, in its broad outlines American policy will undoubtedly insist on the main principles of the Nine Power Treaty as the basis of its parleys. In the meantime, however, the fact is not to be

lost sight of that in the absence of Western nations coming to some sort of common agreement on their policies in this part of the world, Japan is likely to continue to ride roughshod not only over China but over Western nations as well.

A *Rengo* message to the papers in Japan stated that people in the British capital interested in China continued to canvas various methods whereby China might be helped. The general opinion in London, according to *Rengo*, was that an indispensable requisite is that she cut down military expenditure and put the arrears outstanding on certain loans on a sound footing.

Marijuana, Hasheesh, Bhang, Cannabis—All the Same Thing

Readers generally will probably have been a little puzzled by the word *marijuana* (also spelled marihuana, the "j" being pronounced like "h")—the drug which American enlisted men in the Panama Zone are stated to be smoking. If the telegrams from Panama City had said "hasheesh," then everybody would probably have understood. It is the same drug under the Latin-American name. The common name for the weed is Indian hemp (in Chinese, yin-tu-ma). The druggists know it as "Cannabis indicae." The Indian name for it is "bhang." The baneful effects of this drug are well known to the Chinese and the imporation into this country of this drug, of Indian origin, is strictly forbidden. The narcotic principle is contained in the resinous matter secreted in different parts of the plant. Indian hemp may be grown in practically all tropical countries, but its "home" is Madras, the Punjab and the north-west provinces of India.

Japanese War-Office Murder Exposes Deep Feud Within Military Establishment

MAJOR-GENERAL Tetsuzan Nagata, Director-General of Military Affairs and virtually administrative head of the Japanese Army, died from wounds in the afternoon of Aug. 12 following an incident earlier in the day during an interview at the War Office, where, after a heated argument, the assailant, an officer with the rank of lieutenant-colonel, drew his sword and cut down the Major-General. It is believed, that the attack was the outcome of Major-General Nagata's strong support of the policy of the War Office to reassert control over the Japanese Army, particularly the Kwantung branch, which has been affected since the Mukden "Incident" of September, 1931, owing to the activities of the so-called younger clique, consisting of chiefs-of-staff and military attaches—a policy which has led recently to sweeping changes and promotions affecting several thousands of Japanese officers.

Sensational developments are predicted by circles close to the War Office to follow the assassination, major among them being the resignation of General Senjuro Hayashi, War Minister.

The murdered officer was among the most trusted lieutenants of the War Minister, and was reportedly in the group which backed General Hayashi in forcing the resignation of General Jinsaburo Mazaki, former Inspector-General of Military Education, on July 27.

Major-General Nagata was listening to a report by Colonel Hideo Niimi, of the Tokyo Gendarmerie Corps, when the assailant rushed into the office and slashed Major-General Nagata across his left chest. In trying to aid his superior, Colonel Niimi was also severely injured on both shoulders and was immediately rushed to the Military Hospital, where he is expected to remain for three weeks.

Lieut.-Col. Saburo Aizawa was revealed Aug. 13 as the slayer of Lieut.-General Nagata. In a brief communique the War Office said the assassin's motives appeared to have been based "on his blind belief of current rumors regarding Lieut.-Gen. Nagata."

In an avowed effort to prevent untoward developments in a situation fraught with dangerous possibilities Gen. Hayashi, Minister of War, moved rapidly to select a successor to his late trusted lieutenant. The War Minister secured Imperial approval of the appointement of Lieut.-Gen. Kiyoshi Imai, director of the Bureau of Personnel of the Ministry of War, as director of the Military Affairs Bureau. Lieut.-Gen. Jyun Ushiroku, chief of the Third Section of the Army General Staff, will take the post vacated by Gen. Imai while Lieut.-Gen. Otozoo Yamada, chief of the General Affairs Section of the Army General Staff will, in turn, assume concurrently the former duties of Lieut.-Gen. Ushiroku.

Among the officers previously mentioned as possible successors to the post held by Lt.-Gen. Nagata was Maj.-Gen. Hideki Tojo, now at headquarters of the 12th Division.

The outrage has caused deep concern not only in Army circles but also throughout Japan, especially in view of the fact that the murderer is a veteran in his 46th year.

The War Office ascribes the crime to the officer's misapprehension over Gen. Nagata's policy in connection with the promotions and transfers gazetted on August 1 with a view to reasserting control over the Japanese Army, especially the Kwantung branch.

Japan's three highest executive army officers Aug. 15 adopted measures providing for a drastic tightening-up of discipline. Convened in an emergency conference at the official residence of Gen. Hayashi, Prince Kotohiko Kan-In, Chief of the Army General Staff, and Gen. Jyotaro Watanabe, Director of Military Education, approved two steps recommended to them by Gen. Hayashi. These were:

1. To prohibit all irresponsible acts, by vigorously tightening the Control over the Army so as to maintain a strict discipline, promote the martial spirit and present the Service in its true light.

2. To issue special orders so that the entire Army may fully understand the purpose behind the tightening of Control and the strengthening of discipline.

A severe purging of the Army will be undertaken by Gen. Hayashi, in accordance with the decision reached at the conference. The War Office will soon issue a general Army order dealing with the assassination of Lieut.-Gen. Tetsuzan Nagata and stressing the War Minister's determination to purge the army of all undesirable lements.

Daiwan Electric Power Co. Announces Thirteenth Debenture Issue

The thirteenth debenture issue of the Taiwan Electric Power Company amounting to Yen 6,000,000 has been decided to be effected for conversion without security as was the case in the previous issue. The Industrial Bank, a member of the syndicate taking over the debentures, has stoutly maintained that loans should all be guaranteed by security from the standpoint of purifying the debenture world, but the Taiwan Company has rejected the bank's proposal. This has led to the declaration of the bank for withdrawal from the syndicate, creating a wide stir in the banking world.

The conditions for the debenture issue are as follows: Interest and price, 4.3 per cent par; method of redemption, purchase of Yen 400,000 or over every 10 years after two years' deferred payment, or redemption by lottery; special mortgage terms; date of maturity, September 10; application between September 3 and 5; banks underwriting the debenture, the First (Daiichi), Mitsubishi, Mitsui, Sanwa and Taiwan Banks; companies taking over the debenture from banks, Yamaichi, Oike and Sugimoto Bill Companies.

The information given above is from The *Tokyo Asahi*. To the above may be added the fact that the Taiwan Electric Power Company, in the summer of 1931, borrowed G.$25,000,000 from J. P. Morgan and Company. After the outbreak of the Manchurian affair in the fall of 1931 it was reported in various Far Eastern papers and never officially denied that a considerable portion of the Morgan loan was diverted to the use of the Japanese army in the Manchurian intervention.

Japanese Spinners Will Adhere to Production Curtailment Agreement

Japanese spinners will adhere to their production curtailment agreement reached on May 12 for the July-November period under the terms of a resolution adopted Aug. 10 by the Committee for the Curtailment of Cotton Spinning Operations of the Federation of Cotton Spinners. The resolution, however, recommended self-control and suggested that an agreement on a curtailment of production for the period after November be reached as soon as possible.

Under the present agreement, the productive capacity of all mills in the Federation is limited to 20 percent of maximum from July to August, and 22.2 percent from September to October 30.

Japan to Reform Local Administration on Prussian Model

Rengo stated Aug. 12 that drastic reforms in the present system of local administration in Japan, patterned after that of Prussia, to make it better suited to Japanese conditions are under contemplation by the Ministry of the Interior. Fumio Goto, Minister of the Interior, now has before him draft instructions to be sent to all prefectural governors directing them to report in detail on administrative conditions in the territories under their control. The reports will cover the state of affairs in autonomous government groups, such as cities, towns and villages; industrial and financial conditions and other relevant items.

The need for a reform is said to bekeenly felt, because the present transplanted system fails to take into due consideration Japanese traditions and customs, strongly entrenched in agricultural

villages in particular, with the result that the whole administration fails to operate moothly.

Japan to Seek Revision of Indo-China Trade Pact

Revision of the trade agreement with French Inod-China will soon be sought by the Japanese Government. The treaty concluded on May 13, 1932, Gaimusho officials said Aug. 13 is unfavorable to Japan, in that it lacks the most-favored-nation clause except for a very few articles, thus enabling the Administration of Indo-China to impose restrictive levies on the imports of Japanese goods. Should the Japanese proposal be declined by the French Government, Gaimusho officials initmated, the Foreign Office will terminate the pact.

Finance Ministry Battles for Decreased Budget

First attempts of the officials of the Ministry of Finance to pare down the $660,000,000 Army estimates for the 1936-37 fiscal year will be staged at a round-table conference with representatives of the Ministry of War on Aug. 25 or 26. The conference, which was originally scheduled to be called immediately after the Exchequer officials had held a similar meeting with naval officers on Aug. 18, was postponed in order to await the return of Gen. Senjuro Hayashi Minister of War, from his trip to the Northwest.

Meantime, the War Office was putting last touches to its estimates for Manchurian Affair expenditures and other items, which it expects to file with the Ministry of Finance on Aug. 16. The combined demands of the Army and the Navy at present reach almost half of the total governmental draft demands for the next fiscal, year amounting to Yen 2,8000,000,000.

The Japan *Advertiser* says the estimates for the 1936-37 budget, most of which have already been submitted to the Finance Ministry, are expected to total Yen 2,800,000,000 or less than those for the current budget by about Yen 100,000,000. The estimates so far submitted amount to Yen 2,430,000,000, says the *Asahi*, but the Finance Ministry is still waiting for those of the Education Ministry, which are believed to be about Yen 30,000,000, those of the War Office for Manchurian expenditures, understood to be in the neighborhood of Yen 160,000,000, and the supplementary estimates of other Ministries. The Finance Ministry's own requitement of about Yen 100,000,000 to cover interest on bonds and to indemnify losses caused by fluctuations in the international value of the yen, also has to be given final form.

As soon as the Education Ministry turns in its figures, the leading officials of the Finance Ministry will meet with Finance Minister Korekiyo Takahashi at the latter's Hayama villa to start work in earnest on compilation of the draft budget. The meeting will be attended by Finance Vice-Minister Juichi Tsushima, Okinobu Kaya, director of the budget bureau, Kazuo Aoki, director of the finance bureau, and Mr. Sotaro Ishiwatari, director of the revenue bureau.

The decrease of Yen 100,000,000 in the estimates is attributed to the abolition of various relief enterprises, the curtailment to a degree by the War Office of expenditures for military materials, the smaller need for emergency funds and the favorable response of the Ministries to the Finance Minister's plea that they be kept as low as possible.

The budget bureau of the Finance Ministry recently completed its adjustment of the basic expenditures—those that carry on from year to without great change—of the various Ministries. The total is given as Yen 1,679,300,000, or about Yen 2,700,000 less than the Yen 1,682,000,000 in the current budget. An increase of Yen 33,000,000 is noted, however, if the emergency expenditures included in the current budget are subtracted, leaving a basic total of Yen 1,646,000,000.

The basic expenditures worked out by the budget bureau follow:

Imperial Household Department ...	Yen 4,500,000
Foreign Ministry	19,800,000
Home	118,600,000
Finance	424,400,000
War	254,500,000
Navy	411,700,000
Justice	38,000,000
Education	135,400,000
Agriculture and Forestry	61,000,000
Commerce and Industry	9,100,000
Communications	185,500,000
Overseas	16,100,000
Total	Yen 1,679,300,000

The basic expenditure for the War Office is fixed at about Yen 50,000,000 less than in the current budget, a decrease being made in general defense costs. That for the Navy Office, however, shows a gain of Yen 10,700,000 compared with this year's Yen 401,000,000.

If the Finance Minister wishes to keep the total budget within the current amount of Yen 2,200,000,000, he can give assent to only Yen 520,700,000 for new purposes, scaling down the estimates by Yen 600,000,000.

Tada Talks on Development of North China

With the eradication of the anti-Japanese movement in North China as the result of the agreement settling the recent controversy there, the main problem confronting the Japanese authorities now is the economic development of the area, Maj. Gen. Hayao Tada, the newly appointed Commander of the Japanese forces in North China, stated when he passed through Yokohama Aug. 13 en route to his post. He will travel via Manchukuo, stopping in Hsinking to confer with high officials of the Kwantung Army, including Gen. Jiro Minami, Commander-in-Chief of the Army and Japanese Ambassador to Hsinking. Maj.-Gen. Tada said that he was carrying with him no special instructions from the central authorities as to the policies to be enforced in North China, but that he would follow the course established by his predecessor, Lieut.-Gen. Yoshijiro Umetsu.

General Motors Japan Company and Nippon Motor Co. to Merge

Amalgamation of the General Motors Corporation division in Japan and the Nippon Industrial Motorcar Company, as the first step in the government's program for the development of automobile manufacturing industry in Japan is scheduled for an early date.

The Tokyo Cabinet August 10 approved a series of measures dealing with the control of automobile manufacturing in the country. Simultaneously it was announced that that Nissan Jidosha Kaisha, Ltd., manufacturers of the Datsun car, will purchase 51 per cent of the stock of the Japan General Motors Corporation. Informal consent to sell the stock was given by the American concern last year, but the negotiations were not carried into effect. A spokesman of the Ministry of Commerce and Industry recently stated that the Ministry would take steps to protect the native automotive industry, because the latter "can make no rapid progrogress without state assistance." The demands of national defense and economic consideration impel the Government to decide on the consolidation of automotive enterprise. This is in accord with the Government's efforts in the past three years to develop the industry, and especially those branches of it which produce military automobiles."

The Ford Motor Co. recently made extensive land purchases in the vicinity of Yokohama with the intention of enlarging its facilities. The new law visualizes complete replacemen of foreign automobiles with Japanese-made products. If it is finally adopted, it is pointed out in telegrams from Tokyo, American companies will deliver 51 per cent of the stock and also control of the industry to Japanese capitalists.

Korean Who Threw Bomb Ten Years Ago Expresses Regret

Admitting that he "made a mistake," Retsu Pak, a Korean Communist, who, ten years, ago, threw a bomb at Emperor Hirohito, then Prince-Regent, Aug. 9 filed a petition with the Warden of the Chiba Prison, where he is serving a life sentence. The appeal which is reported to be of unusual length, denounces Communism and declares Pak's desire to serve as a loyal subject of the Emperor. "Had Japan been defeated by Russia in the war of 1904-05, the Korean people would have not been as happy as they are today, nor would the Chinese destinies be more encouraging than they are today," the petitioner said.

Two Koreans Murdered at Tongshan

The Hopei Provincial Government received a report Aug. 11 from Yu Shih-fen, director of the Public Safety Bureau at Tongshan, stating that two Koreans were found murdered on the night of August 5 near Tashihchiao. The provincial authorities have issued orders to various military and police headquarters for early apprehension of the culprits, it is learned.

More Than 4,500 Chinese Students in Japan at Present

More than 4,500 Chinese students, including 600 girls, are now in Japan, the Shanghai *Mainichi* stated Aug. 13. Most of them are attending private institutions, but more than 100 have matriculated at the Tokyo Industrial University, the Kyoto Imperial University and the Tokyo University of Commerce, all leading Government schools, the newspaper added.

Fifteen Passengers Abducted from Bus on Peiping-Tientsin Road

A Peiping-bound bus on the Peiping-Tientsin motor road was attacked by a gang of 30 bandits Aug. 19 near Tungchow. The gang not only looted the bus of everything, but also carried away 15 persons, including nine passengers, for ransom. Among the captives were the chauffeur and two conductors. The bus belonged to a long-distance bus company in Peiping.

THE GIST OF JAPANESE PRESS OPINION

Professors, financiers, and statesmen are being sent to China by Great Britain, France, and America to investigate economic conditions. What do they intend to do in China? This is an important question for us to consider carefully? It is not an impulse of the moment that prompted the three nations to send their respective missions. They must have been prevailed upon by the so-called Western faction in China to that decision. They are anxious to prevent the extending influence of Japan in China. It is the earnest hope of Japan to see China develop her economic strength and bring about her national reconstruction by her own efforts. Should China turn cold shoulders upon Japan, the only stabilising factor in the Far East, Japan might find it necessary for her to take measures which she think fit.—*Tokyo Chugai.*

The Italo-Ethiopian dispute has aroused the ill feeling of colored peoples against Italy and in consequence also against the whites races in general. The British Secretary for Foreign Affairs stated in the House of Commons that in the event of war between the two nations, the situation would turn for the worse, the reaction in the world outside Europe would be serious, and that racial struggle between the whites and the colored would make racial reconciliation more and more difficult. If that statement proves true, Mussolini and Italian papers will have to bear the consequences. They uttered insulting words against colored peoples, and even repeated the "yellow peril" coined by the ex-Kaiser of Germany. It was their intention to commend themselves into the sympathy of the whites.—*Osaka Asahi.*

The movement to correct the election evils seems to have met with the approval of the public. Its value and necessity has been thoroughly considered. The public realize that the election is neither for the candidate nor the party to which they belong, but that it is for parliamentary government. The public is now courageous enough to form in bodies to visit shrines and pledge their good faith in the rectification of elections and this movement in masses will prove effective.—*Tokyo Hochi.*

U. S. to Build Two Super-Liners to Excel "Queen Mary" and "Normandie"

The construction of two American super-liners larger and faster than the *Queen Mary* and the *Normandie* is under consideration at Washington, according to the New York *Journal of Commerce*. The projected liners will each be 1,250 feet in length, capable of a speed of 38 knots and will be able to cross the Atlantic in under four days. The project, the *Journal of Commerce* adds, is now being examined by the United States Department of Commerce. The estimated cost of the two liners is $50,000,000 each. The vessels will be financed partly by the Administration's ship subsidy bill which is now before Congress. Navy experts are reported to be favoring the construction of the projected liners.

Ex-President's Secretary Admits Being Retained by Filipinos

Joseph J. Tumulty, former secretary to President Woodrow Wilson, admitted in Washington, Aug. 7, that Senor Rafael Aluna, representative of Philippine interests in the United States, had paid him $12,500 for outright legal services in behalf of Senor Manuel Quezon, President of the Philippine Senate.

President Roosevelt Defies Union Men

Officials of the Work Relief Administration admitted in Washington, Aug. 9 that labor troubles and actual strikes are becoming nation-wide. Cleveland building craftsmen announced that they would not work on any of the projects at less than the prevailing scale of pay and, in Newark, New Jersey, the Council of Building Trades forbade its members to work for subsistence wages.

President Roosevelt declined to recognize the strike of skilled union men on relief work projects in New York. He said that the men were under no compulsion to work. The strike later fizzled out.

Worst Floods in Quarter Century in Eastern Part of U. S.

Thousands of persons were made homeless, four were known to have perished and several others were missing in eastern Ohio, western Pennsylvania and West Virginia, as the region was struck by the worst flood in a quarter of a century Aug. 7. Property damage in the area was estimated at more than three million dollars, as buildings were battered in and bridges washed away by the force of the raging torrents.

Hoover Makes Bid for Second Term in Office

A speech which is regarded by both Republicans and Democrats as the prelude do a bid for a second term was made in Chicago Aug. 11 by former President Herbert Hoover. Mr. Hoover scathingly denounced the Roosevelt Administration, which he declared by its attitude towards the Constitution, had created one of the most momentous issues since the Civil War.

American Motor Car Manufacturers Extend Overseas Plants

The Buick Motor Co. is spending $15,000,000 on rehabilitation of manufacturing facilities. General Motors has authorized an expansion and reconstruction program involving an outlay of $50,000,000. Most of this money will be spent on overseas plants. The American output of automobiles in July was over 30 per cent higher than in July of last year.

Samuel Insull Restored to Pensions List

The directors of the four principal utility companies belonging to the Insull group announced in Chicago, Aug. 7. that the name of Samuel Insull had been restored to their pension rolls, retrospectively, as from January 1, 1934.

U. S. War Secretary Dern Will Attend Inauguration of the Philippine Commonwealth

George Dern, Secretary of War, is expected to be among those who will attend the inauguration of the Philippine Commonwealth on November 5.

Boy Scout Jamboree in U.S. Cancelled Because of Infantile Paralysis

On account of an epidemic of infantile paralysis which has invaded Washington, President Roosevelt issued a request Aug. 9 that the national American Boy Scout Jamboree, which was to have been held in Washington on August 21, be called off. Groups of representative scouts from China, Japan, the Philippine Islands, Hawaii, Chile, and Cuba who had already arrived in the United States to attend the rally are to be invited instead to spend a session in various regional Boy Scout summer camps throughout the country.

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San Francisco Court Asked to Appoint American Oriental Bank Receiver

Appointment of an additional receiver for the American-Oriental Finance Corporation, one of the Raven institutions now in procees of liquidation, was asked in the courts in San Francisco. Aug. 12. Courtney Whitney, Manila silver bullion dealer, petitioned the United States District Court to appoint an ancillary receiver for the corporation in San Francisco. The petition was filed on the grounds that the concern has extensive holdings in San Francisco, including brokerage contracts, stocks and bonds.

Two Chinese Bank Executives Released—Charge of Embezzlement Withdrawn

Hsia Kwei-chu and Tsu Hai-chu, manager and sub-manager, respectively, of the Tung Ching Native Bank, 180 Ningpo Road, who were arrested on the charge of being concerned in the misappropriation of $535,000, were released Aug. 12 when the case against them was withdrawn in the Shanghai First District Court, at the request of the complainant bank. It had been alleged that the two bank executives started misappropriations in 1933 and that the first embezzlement concerned the sale of Government bonds of a face value of $765,000, the property of a customer of the bank. These bonds were sold, it was said, by the two accused for only one-quarter of their face value. At various hearings, the two accused denied the charge and contended that the bank was engaged in speculation in local bonds and thus lost lost much money.

Szechuen Province Deposits Sinking Fund in Central Bank

The Ministry of Finance is in receipt of a telegram from the Chungking branch of the Central Bank of China, stating that as from the month of June, the Szechuan Provincial authorities have deposited for custody with the bank $550,000 monthly from the proceeds derived from the Stamp, Wine and Tobacco Taxes and Consolidated Tax collected in Szechuen as sinking fund for the $30,000,000 Szechuen Provincial Currency Readjustment Treasury Notes issued by the Central Government. The Notes are to be completely redeemed within a period of 64 months.

Silver Bloc Sees U.S. Government Program Failing

Abandoning all hope as adjournment nears, Congressional advocates of silver remonetization Aug. 11 told the *United Press* in Washington that in their opinion the Administration's silver purchase program had only partially been successful in carrying out the intent and purpose of the Silver Purchase Act.

Silver Dollar Decline Upsets Hongkong Parity

Because the Hongkong dollar has fallen below the export parity further Government action to prevent the exportation of silver is considered likely.

The drop in value of the dollar in Hongkong has caused considerable comment among local bankers who believe that if an embargo on silver is promulgated it will prove valueless because of smuggling. It is the opinion in many circles that note issuing banks do not have sufficient coverage for the recent heavy shipments of silver which have been approximately HK.$36,000,000.

The Hongkong and Shanghai Banking Corporation's efforts to maintain parity by selling sterling have proved unavailing, Hongkong advices stated.

Wang Ching-Wei Resigns From Government Posts: China's Policy Toward Japan Remains Unchanged

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Three Ministers Tender Resignations Following Wang Ching-wei.**
2. **Nanking Undecided on Acceptance or Rejection of Wang Resignation.**
3. **Sweeping Changes in National Government Seen by Canton.**
4. **Japanese Views and Comments on Resignation of Wang Ching-wei.**
5. **Japanese to Inspect Chinese Political and Educational Organs.**
6. **Tao Shang-min Still Detained at Japanese Embassy in Peiping.**
7. **Shang Chen Offers $5,000 Reward for Arrest of Liu Murderers.**
8. **China's Policy Towards Japan Unchanged Despite Recent Events in North.**
9. **General Chiang Outlines Measures for National Economic Reconstruction.**
10. **Government Troops Gain Further Victories Over Reds in Szechuan.**
11. **Southern Leaders to Hold Important Discussions at Canton.**
12. **Return of Hu Han-min to Attend C.E.C. Session Uncertain.**

Wang Ching-wei, President of the Executive Yuan and and concurrently Minister of Foreign Affairs, tendered his resignation in a telegram from Tsingtao on Aug. 9 addressed to the Standing Committee of the Central Executive Committee of the Kuomintang, and Lin Sen, Chairman of the National Government. A translation of the message follows:—

"Since I was taken ill in early July you have kindly instructed me to devote undivided attention to my convalescence. For this, I am deeply grateful. It had been my hope that I might recover rapidly, and thus be enabled to resume my duties, but, though in the course of the past month the immediate symptoms of my illness have been removed, the fundamental malady has not yet been cured. Moreover, any mental exertion brings upon me a feeling of dizziness.

"I recall that, when I was in charge of the Executive Yuan and the Foreign Ministry previous to my illness, while I worked both day and night, I still felt unequal to my duties. Now, if I do not ponder carefully and should continue to cling to office, then, although the sacrifice of my life be of no consequence, how dreadful will it be if, through me, blunders should be committed in the conduct of the affairs of State.

"I hereby sincerely request that I be relieved of my substantive post as President of the Executive Yuan and my concurrent post as Minister of Foreign Affairs. As soon as I fully recover from my illness, I shall certainly offer my services again to the Central Party Headquarters. During my sick leave, the affairs of the Executive Yuan are in charge of the Vice-President Dr. H. H. Kung, and those of the Ministry of Foreign Affairs in charge of the Vice-Minister, Mr. Hsu Mo. The affairs of the Government have not been interrupted by my illness. With regard to affairs which have not yet been completely settled during my tenure of office, I shall, upon recovery, deal with them in due course."

THREE MORE MINISTERS TENDER RESIGNATIONS

Chen Kung-po, Minister of Industry, and Ku Meng-yu, Minister of Railways, handed in their resignations Aug. 12. Both Ministers, who are adherents of Wang Ching-wei, tendered their resignations to the Executive Yuan and instructed their respective staffs to wind up their affairs. Mr. Ku is at present in Peiping, while Mr. Chen is proceeding to Tsingtao.

In addition to Messrs. Wang, Chen and Ku, the Minister of Educattion, Dr. Wang Shih-chieh, has also followed suit by submitting his resignation. Other officials who may tender their resignations are General Ho Ying-chin, Minister of War, and Tang Yu-jen, Vice-Minister of Foreign Affairs.

Chen Shu-jen, Chairman of the Overseas Affairs Commission, has petitioned the Executive Yuan, asking to be relieved of his office. Mr. Chen does not give any definite reason for his step, but deplores the lack of accomplishments during his tenure of office and requests the Government to appoint an abler person to succeed him.

The National Government has not yet made a decision whether to accept or reject Mr. Wang's resignation. In view of the absence from Nanking at present of the majority of Government leaders, it is very unlikely that an immediate decision will be made by the Government, but it is generally believed that Government leaders will urge Mr. Wang to withdraw his resignation. Mr. Wang's telegram came entirely unexpected, since Yeh Chu-tsang, Secretary-General of the Central Kuomintang, left on Aug. 8 by train for Tsingtao to visit him to discuss political affairs.

RESIGNATION TO BE DISCUSSED AT CENTRAL POLITICAL COUNCIL

In a press interview at Shanghai Aug. 12, Dr. H. H. Kung, Acting President of the Executive Yuan and concurrently Minister of Finance, expressed his regrets that President Wang Ching-wei should have tendered his resignation at this time of national emergency, when his services are urgently needed by the country. Dr. Kung said that Mr. Wang's resignation will be discussed at the next meeting of the Central Political Council, and expressed the hope that Mr. Wang will abandon his intention of retirement and remain in his posts.

PERSUADED TO REMAIN IN OFFICE

Lin Sen, Chairman of the National Government, telegraphed Wei Huai, director of the Civil Affairs Department of the National Government, on Aug. 13, instructing him to immediately proceed to Tsingtao to persuade Mr. Wang to remain in his posts as President of the Executive Yuan and Minister of Foreegn Affairs.

General Chiang Kai-shek, President of the Military Affairs Commission, has sent a telegram to Wang Ching-wei, requesting him to remain in his posts as President of Executive Yuan and Minister of Foreign Affairs. Meanwhile, General Chiang has also telegraphed to the officials of the various Ministries and Commission in Nanking advising them to remain calm and attend to their duties as usual during the absence of President Wang.

Dr. Tsai Yuan-pei, the veteran Party leader and a member of the C.E.C. of the Kuomintang, left Shanghai for Tsingtao Aug. 11 by the China Merchants s.s. *Hai Han*, accompanied by his wife to persuade Wang Ching-wei to withdraw his resignation. The government authorities are confident that President Wang Ching-wei will place the interests of the Party and the nation above everything else and will withdraw his resignation. Thus declared Dr. Tsai prior to his departure from Shanghai.

WILLING TO RETURN IF RESIGNATION ACCEPTED

In reply to several telegraphic despatches from high Government Officials, President Wang Ching-wei sent a telegram addressed to an official in Nanking Aug. 13, stating that as ssoon as his resignation from his concurrent posts as head of the Executive Yuan and the Foreign Ministry had been accepted by the Central Government, he would return to Nanking to resume his duties as a member of the Central Executive Committee.

Mr. Wang visited Laoshan, a scenic spot in the vicinity of Tsingtao, Aug. 13. Accompanied by his family, he

made an excursion trip to "Small Tsingtao," an island near Tsingtao the previous day.

SWEEPING CHANGES IN NANKING EXPECTED

The action of Wang Ching-wei in resigning has not caused any surprise in official circles in Canton. The development had been expected, following Mr. Wang's departure from Nanking some time ago. While the authorities decline to comment on the resignation, it is generally believed that sweeping changes in the Nanking regime will follow, possibly affecting China's foreign policy.

At the present time, interest in the South is centred on the possibility of Hu Han-min, the veteran Cantonese leader, who is now in Switzerland, proceeding to Nanking to head a government. Official circles do not regard such a development as impossible, but express the opinion that Mr. Hu will go to the Capital only after Nanking has accepted the line of policy he advocates. It is believed in this connection that negotiations between Mr. Hu and Dr. Wang Chung-hui, Chinese Judge at the Permanent Court of International Justice at The Hague, are still proceeding.

JAPANESE SEE THREE CAUSES FOR RESIGNATION

Serious attention to the developments consequent upon the resignation of Wang Ching-wei is being paid by the Japanese Military Attache's Office, as Gen. Chiang Kai-shek's attitude in dealing with the matter will provide an accurate barometer of the Generalissimo's attitude towards Japan, a spokesman of the Office declared in Shanghai Aug. 9.

"It is true that the policies followed by Mr. Wang have caused him to be violently criticized by some members of the National Government," the spokesman said. "This is probably why Mr. Wang decided to submit his resignation, as his continued presence in his present capacity easily could lead to complications at the forthcoming Sixth Plenary Session of the Central Executive Committee. However, the entire issue lies in the attitude of Gen. Chiang. I do not think Mr. Wang will reject Gen. Chiang's request for a reconsideration of his intention to quit, if the latter is sincere in his pleading.

"It is also possible that Mr. Wang may have expressed his inttention to resign to call for a showdown in Gen. Chiang's attitude towards Japan. Consequently, the attitude the Generalissimo will take in this situation will not only indicate his stand towards Mr. Wang, but will also provide an accurate barometer in his attitude towards Japan."

Japanese diplomatic officials declined to comment and Mr. Akira Ariyoshi, Ambassador to China, refused to meet correspondents.

Experienced Japanese observers saw three possible causes for Mr. Wang's action, beside that of impaired health. These were:—

1.—That he felt he could no longer oppose a strong faction in Nanking governmental circles which has lately begun a vigorous campaign against the policies followed by the Foreign Minister. This group has been openly advocating a return to the policy of co-operation with Soviet Russia that led to such success for the Kuomintang from 1924 to the split between the radicals and the conservatives in 1927. This would automatically call for a cessation of the vigorous anti-Communist campaign now being followed by the Nanking government.

The vigorous stand adopted by the Japanese military in the north following the murder of a Chinese officer and the wounding of a Japanese gendarme at Luanchow Station on the Peiping-Mukden Railway Aug. 4 is further held to have placed Mr. Wang in an embarassing position.

2.—That he wanted to show to the Japanese authorities that too strong pressure exerted by them on the so-called pro-Japanese faction of the Nanking government would make the latter's position untenable.

3.—That he felt his position was being made increasingly difficult because of the apparent belief by Gen. Chiang that Mr. Wang was using Japanese influence to curb the Generalissimo's power in Nanking. This feeling of Gen. Chiang was said to have been nurtured by a careful "whispering campaign" engineered by Mr. Wang's opponents, taking advantage of the Generalissimo's absence from Nanking.

"Regardless of whether Wang Ching-wei reconsiders his resignation or not, the situation as well as the attitude of Gen. Chiang Kai-shek towards the event is worthy of attention." Thus, the *Tokyo Asahi*, a leading daily in Tokyo, concluded its editorial comment on the resignation of Mr. Wang on Aug. 11.

Expressing the belief that Mr. Wang's retirement would deal a "death blow" to Gen. Chiang, the newspaper asserts that the latter, as Chairman of the Military Affairs Commission, probably will "do his utmost" to persuade Mr. Wang to withdraw his resignation. The action of Mr. Wang, the journal adds, has precipitated a battle between his supporters and his opponents, the latter mostly "unemployed politicians" of the so-called South-western and "Western Hills" factions.

JAPANESE TO INSPECT CHINESE POLITICAL AND EDUCATIONAL ORGANS

In view of the tightening of the extensive inquiry into the sentiment and attitude of the Chinese people towards the Japanese, a report in the *North China Daily News* on Aug. 12 states that the Chinese authorities have taken steps to see that various political organizations are fully aware of the situation so that they exercise care. Principals of Chinese educational institutions and teaching staffs have also been advised on the matter.

An inquiry was recently started into the temper of newly published Chinese text books. Because of Japanese objections, one sheet in the new character-reading text book prepared by the Shanghai City Government for the illiterate has been taken out. This sheet contained a reference to the Mukden Incident in a style the Japanese disliked.

On the beginning of the autumn term of Chinese educational institutions, Japanese are expected to make tours of inspection of them but in the meantime, offices of the Kuomintang, the City Governments, and District magistracies will be inspected, especially when meetings are in progress. One or two Kuomintang offices in Shantung and several schools in Shanghai are reported to have already been inspected.

TAO SHANG-MIN STILL DETAINED AT JAPANESE EMBASSY

Tao Shang-min, Counsellor of the Peiping Political Council, is still being held by the Japanese military authorities, but he was allowed to receive a member of his family in the evening of Aug. 6, the meeting taking place in the barracks of the Japanese Embassy Guard.

Mr. Tao briefly informed his relative, in the presence of Japanese officers, that he was being detained but well treated. Mr. Tao was placed under detention on Aug. 5, when he called at the office of the Japanese Military Attache to discuss the murder of Colonel Liu Tso--chow. Meanwhile, it is disclosed that the secretary with Mr. Tao was also arrested. But he was released on the following day.

Before his appointment as Counsellor of the Peiping Political Council, Mr. Tao was administrative inspector of the Luantung section of the Demilitarized Zone.

The Chinese Ministry of Foreign Affairs has lodged a protest with the Japanese Embassy in Nanking against the detention of Tao Shang-min by the Japanese military attache of the Embassy in Peiping.

HOPEI AUTHORITIES OFFER $5,000 REWARD FOR ARREST OF LIU MURDERERS

General Shang Chen, Chairman of the Hopei Provincial Government, informed *Rengo* Aug. 7 that he was offering a $5,000 reward for information leading to the arrest of the murderers of Colonel Liu Tso-chow, Commander of the 3rd Corps of the Peace Preservation Force, at Luanchow on Aug. 4. General Shang made this announcement following his arrival at Peiping in the evening at that day from Paoting to confer with Wang Keh-min, acting Chairman of the Peiping Political Council. General Shang declared on Aug. 14 that he had issued orders to the officials concerned to apprehend within a week the assassins of Colonel Liu or to face disciplinary punishment.

Gen. Shang Chen called Aug. 8 on Lieut.-Gen. Yoshijiro Umetsu, commander of the Japanese forcees in North China, to express his formal regrets over the Luanchow Affair. Gen. Shang also conferred with Col. Takashi Sakai,

chief-of-staff of the Japanese forces following his interview with Lieut.-Gen. Umetsu.

Several suspicious persons implicated in the murder of Colonel Liu had been arrested in the vicinity of Nankwan, Luanchow, and were being detained at the martial law court of the Peace Preservation Force Headquarters pending trial.

Yin Ju-keng, Administrative Inspector for the Luantung area, and Jen Hsiao-ying, counsellor of the Peiping Political Council, left Peiping for Luanchow Aug. 7 to conduct an inquiry into the nurder of Col. Liu Tso-chow. The Peiping-Liaoning Railway Administration has sent 40 Railway police to Luanchow to assist the special police in apprenending the assassins of Col. Liu.

Japanese and Manchukuo officials at shanhaikwan attended on Aug. 9 a service in memory of Col. Liu Tso-chow, whose body passed through there en route to his native place in Tahushan, Liaoning.

TERMS OF SETTLEMENT OF LUANCHOW AFFAIR GIVEN

Complete suppression of all anti-Japanese activities in the Demilitarized Zone and reorganization of the zone administrative personnel to secure Sino-Japanese understanding will be among the terms of settlement of the Luanchow Affair proposed by the Japanese authorities in North China, according to *Rengo*. The assassination of a Chinese colonel, the wounding of a Japanese gendarme and the attempt on the life of a Japanese major are taken by the command of the Japanese forces in Peiping as a distinct violation of the agreement on the settlement the recent North China dispute and the Tangku Truce Treaty.

Tang Yu-jen, vice-Minister for Foreign Affairs, agreed to seek a prompt local solution of the "Luanchow case" in an interview with Yakichiro Suma, Japanese Consul-General in Nanking Aug. 8. He has also reported promised Mr. Suma to take suitable steps to maintain peace and order to North China.

Commenting on the "Luanchow Incident," the *China Times* emphasizes the fact that because of Col. Liu Tso-chow's position as a peace preservation officer, the assassination is non-political in nature. "To say that the assassination is a political one is only over sensitive. It is not difficult to see that the real cause of the incident was undoubtedly of a personal nature."

Expressing much regret over the wounding and subsequent death of a Japanese soldier as he stopped a stray bullet, the *China Times* writes: "It is unfortunate that this shooting caused the death of a soldier of our friendly neighbour."

Discussing the present situation in the Demilitarized Zone, the newspaper expresses the opinion that "had the Chinese Pao An Corps the freedom to exercise its power to the fullest extent, peace and order could have been preserved better in the area and bandits would have been suppressed and this assassination would not have taken place."

Declaring that the Luanchow authorities can not escape responsibility for the incident, the newspaper hopes that the "Japanese will respect Chinese sovereignty and give the Chinese Pao An Corps the fullest freedom to suppress the lawless elements in the area so that better protection can be given to Japanese nationals in the area and so that friendly relations betweeen China and Japan can be maintained."

FU TSO-YI DENIES ANTI-JAPAN MOVE IN SUIYUAN

Hailing economic co-operation with Japan, Gen. Fu Tso-yi, Chairman of Suiyuan, who arrived at Peiping Aug. 7 from Tayuan, emphatically denied the reports of the prevalence of anti-Japanese feeling in his province, according to *Rengo*.

"The people in my province are eager to secure the economic development of Suiyuan, with the assistance of Japan," Gen. Fu declared.

He denied that the 2,000 members of the Kuomintang in the province were carrying on anti-Japanese activities.

"The Economic Planning Commission of Shansi Province has practically completed a study of the projected economic collaboration with Japan, while Gen. Yen Hsi-shan is also showing great interest in the matter," Gen. Fu said.

UMETSU PRESENTED WITH GIFTS FROM CHINESE OFFICIALS

Lieut.-General Umetsu, Commander-of the Japanese forces in North China, who will leave China on August 21, has been presented with a large number of gifts by Chinese Magistrates in the Demilitarized Zone. He has been feted by high Chinese oycials in Peiping during the past few days. General Shang Chen and Mayor Cheng Ke will also give a reception in honor at Tientsin on August 15.

General Hayao Tada, newly appointed commander of Japanese forces in North China, was scheduled to leave Tokyo on August 12th for China to assume his duttes in Tientsin.

Reuter reports that brigands are again active in the Demilitarized Zone north of Peiping. Over 3,000 bandits have appeared in the vicinity of Lowenyu, a Great Wall pass, and are making incursions into Tsunhua, Chienan and other districts.

These men are reported to be the former followers of the notorious Liu Kuei-tang and Pai Chien-wu. Pei, who may be remembered as the ringleader of the abortive bandit raid on Peiping in June, is said to be in Jehol at present. The Peace Preservation Units in the Miyun-Chihsien area are cooperating with those in the Luantung area for a joint drive against these bandits.

According to reports published by the Japanese Kwantung Army, more than 1,000 anti-Japanese Volunteers attacked Pei-piao, Jehol, at 2 p.m., August 8th. A large number of Japanese and 'Manchukuo' troops were rushed to the district that night and saved Pei-piao from occupation by the Volunteers.

CHINA'S POLICY TOWARD JAPAN UNCHANGED DESPITE RECENT EVENTS IN NORTH

The Chinese Government's attitude towards Sino-Japanese relations as recently reiterated by General Chiang Kai-shek, President of the Military Affairs Commission, in Chengtu, constituted the substance of an interview given on Aug. 8 by General Chiang Tso-pin, Chinese Ambassador to Japan, to the *Central News Agency*.

Despite the sudden flaring up of the Hopei and subsequently the Chahar incidents in North China in the course of the past two months, according to Ambassador Chiang, the Generalissimo's policy vis-a-vis Sino-Japanese problems has remained unchanged from his several statements issued late last year. The Generalissimo emphatically expressed the view that China would naturally strive towards improved relations with Japan on the basis of mutual friendship if the Japanese Government shows sincerity in this regard. It was the belief of General Chiang that China and Japan, being neighboring nations, should strive for better understanding of each other's problems from the standpoint of mutual sincerity and benefit.

GENERAL CHIANG OUTLINES FUNDAMENTAL MEASURES FOR ECONOMIC RECONSTRUCTION

Eight concrete measures for the economic reconstruction of the country form the main theme of a circular order issued Aug. 12 by General Chiang Kai-shek, President of the Military Affairs Commission, to the various Provincial Governments.

The telegram begins by referring to the unprecedented floods in the Yangtsze and the Yellow River valleys, which have caused material damage of $500 millions and rendered 10 million people homeless and destitute.

While floods also occurred in past times, such calamities seldom recurred at intervals of less than decades or even centuries. The fact that the country is now ravaged by floods almost every three years and to such a dangerous degree, is largely due to failure, on the part of the authorities and the people, to pay due attention to such fundamental measures as water conservancy and afforestation.

While fundamental measures for economic rehabilitation, in so far as they have a direct bearing on the national existence, will be devised and enforced by the Central authorities, appropriate measures of economic reconstruction relating to the amelioration of the livelihood of the people should however be adopted by the local authorities with the cooperation of the people.

These measures should consist of the following:

1.—Compulsory labour in the service of the State should be enforced by the local authorities. The people should be so accustomed to serving the State that they will offer their labour spontaneously as the natural duty of a citizen. In order to achieve this end, the local authorities, before enforcing compulsory labour, should draw up the detailed plans for its enforcement. In general, compulsory labour should be employed for such enterprises of local welfare as dyke repair, water conservancy, highway construction, afforestation, and land reclamation.

2.—Efforts should be made to promote the development of agriculture. The burden of the peasants should, as far as possible, be reduced, the monetary situation in the rural districts readjusted, sale of agricultural products accelerated, and the cooperative system among the rural population promoted. Above all, efforts should be made to attain the ideal of self-sufficiency in the supply of foodstuffs.

3.—Land reclamation and stock-raising should be encouraged. Investigations should be made by the local authorities regarding unclaimed and waste lands, which should be converted, through reclamation, into arable soil. In case of necessity, migrations of the people and employment of soldiers for farm work should be officially encouraged, with a view to making the fullest possible use of the soil.

4.—The factors of consumption and production should be coordinated through the medium of cooperative societies. For instance, production of the daily necessities should be encouraged, while the consumption of articles, for which demand is greater than supply, should be restricted and regulated.

5.—The local authorities should also adopt such measures as are required for the development of domestic industries. Special efforts should be made to promote and encourage the development of the simpler or manual industries in the rural districts with a view to facilitating the work of rural rehabilitation.

6.—The message urges that measures be adopted to exploit the mineral resources. Superstitions should be eliminated, undue restrictions on mining removed, private investment in mining encouraged, and expert direction given to mining operations with a view to introducing modern and efficient methods of mineral exploitation.

7.—Freight transportation should be developed and improved, with a view to facilitating the shipment of rural products from one part of the country to another. This can be achieved through the development of land and water communications.

8.—The monetary situation should be readjusted through the promotion of savings among the people, institution of modern loan facilities for the rural districts, and the development of credit cooperative enterprises. The people also be enlightened on th monetary policies of the Government.

General Chiang Kai-shek urges that these eight measures be carried out in the light of local conditions and with the cooperation of the people. On the basis of these recommendations, detailed measures of a concrete and practicable nature should be formulated and adopted by the local authorities.

FURTHER SUCCESS MADE AGAINST SZECHUAN REDS

Government forces which pushed northwards after the Reds had fled from Mowkung, West Szechuan, recaptured Mupa on August 5 and the towns of Weikiashan and Fukien on August 8. They are continuing their advance towards Pankiashan in pursuit of the Communists who are stated to have lost over 200 men in rearguard engagements with the government troops.

The main Red forces, which are still in the vicinity of Chiaochangpa and the Chong River, are unable to cross the mountains. They launched an attack on Bowisiszu, southwest of Sungpan, on July 6, but were repulsed.

It is estimated that there are 10,000 Communists in the vicinity of Chuckechi and Sungkan, on a tributary of the Takingho, part of whom have fled towards Peiwar in an endeavour to cross the river and proceed westwards.

The main Red forces, which are still in occupation of the area between Moerkai and Harlunkan along the Chong and Yaerling Rivers are awaiting an opportunity to escape sorthwards. The vanguards, which managed to penetrate into the mountains, were observed near Yangpoling, northwest of Sungpan.

Reds who have surrendered to the Government forces report that heavy losses have been inflicted upon the main forces of the outlaws by Government bombing 'planes. Among those killed was Yu Tien-lung, commander of the 13th Red Army.

The Government forces are continuing to pursue the Reds to the south-west, driving the remnant further into the mountains. Some 10,000 Communists are now infesting the Baiashan ranges near Chuchechi and Matang, and ravaging all the mountain towns through which they pass. Captive Reds assert that the leaders hope to reach Kokonor via Kansu.

According to *Shanghai Mainichi*, military training in Szechuan was started on August 8, at the foot of Omei shan (Mountain) near Chungking. The training will last for one month. General Chiang Kai-shek himself will be Chief Officer of the Training Servicee, with General Liu Hsiang, Chairman of Szechuan, as his assistant. General Chen Cheng, director of the Army Readjustment Administration, will have charge of the actual training work.

Following their mutiny in the vicinity of Kweiyang, Kweichow, the mutinous regiments under Kiang Yung-hwa, and Chow Kwei-hsiang, have invaded the districts in the Yankiang valley where they will collect taxes for their maintenance. Failing to reach an agreement with the Kwangsi authorities, the mutineers who had earnestly hoped for aid from the Kwangsi authorities, stopped moving towards Kwangsi. General Chiang Kai-shek recently paid $100,000 to the Provincial troops in Kweichow in order to satisfy them and prevent them from mutiny.

The drive of the Kwangtung forces against the Reds is being carried through successfully, according to a report from General Miao Pei-nan, chief-of-staff of the 1st Group Army. General Miao says that with the elimination of the major bands, there now remain only remnants, who should be eradicated before long. The Reds infesting the eastern section of Kwangtung, bordering Fukien, have lately been active, but they are gradually being eliminatede.

The 9th Division under General Teng Lung-kwong has successfully attacked the Red stronghold in the Nanchang area, killing 70 Communists, and capturing 70 others together with a number of rifles.

ORGANIZATION OF COMMUNISTS IN NORTH SHENSI

In an interview with the pressmen at Peiping, General Kao Kwei-tsu, Commander of the 84th Division, fave the following information concerning the Communists:

1) Organization of the Communists includes: the Red 26th Army, commanded by Lieu Tsu-tan which has more than 10,000 rifles, and which is made up of three divisions; the 84th Division under himself; the 86th Division under Yang Chi, and the 42nd Division under Yang Sen. The numbers of the Red Divisions are identical with numbers of the Government Divisions engaged in the punitive campaign, because the Government also has an 84th Division under Gen. Kao Kwei-tsu, an 86th Division under Gen. Chi Yo-hsiu, and a 42nd Division under Gen. Feng Chin-tsai.

Besides the three divisions, the Reds have fourteen partisan detachments and a large number of Red Guards. Five cities which include Yenchun, Yenchuan, Panan, Ansa and Antia in North Shensi have been captured by the Reds. The city of Chinpian was once occupied by the Reds but was later recovered from theem.

2) The 84th Division of the Government has fought more than one hundred battles with the Communists. The Division under Gen. Feng has been transferred to the south to check the advance of the Communists under Hsu Hai-tung. At present the Government forces in the region are very weak. The present situation in North Shensi is like that in Kiangsi in 1931.

3) No concrete measures were decided upon at the recent conference at Sian of which Gen. Chang Hsueh-liang was chairman. It was agreed, however, that the Central Government is bound to carry on more political work for the promotion of the punitive campaign against the Communists.

In the middle of July more than 3,000 Communists under Hsu Hai-tung left the districts of Shanhsien, Lunan, Chenan and Chosui, in Honan, which were surrounded by the Government force, and moved westward. As the Reds moved west they defeated the Government troops, which lost two regiments and captured Gen. Tang, the Commander of the Brigade and later killed him. The Communists then occupied the town of Yinchiaowei, only forty *li* from Sian, where the people wree thrown into a panic. They further advanced to Tsuchu and Yuhsien. According to the latest report, the Communists have arrived in the districts of Fupin and Hwayang, where they have made close connections with the local Communists.

In North Shensi the Reds under Lieu Tse-tan are attempting to capture the city of Chinchien. One regiment from Shansi is being concentrated along the Yellow River, and they will cross the river in case of necessity.

According to *Shanghai Mainichi*, the Communists are threatening to occupy Tayeh, Yangsin and Wusueh in Hupeh. Following an attack launched by the Government troops, about 1,000 Commmunists are moving southward towards Yangsin. About five hundred Communists are now fighting the local defence force in the area of Tatsemiao, south of Tayeh. The Reds are continuing to occupy many districts in the region.

WALDEN IS INDICTED ON CHARGE OF ESPIONAGE

The procurator of the Hupeh High Court issued an indictment Aug. 13 against Joseph Walden, who was arrested in Shanghai on May 5 on grounds of espionage. His trial, together with that of six Chinese, will commence shortly.

SOUTHERN LEADERS TO HOLD IMPORTANT DISCUSSIONS IN CANTON

Important political negotiations are expected to take place in Canton, following the arrival of General Huang Shao-hsiung, the Governor of Chekiang, from Hongkong.

Southwest leaders had been holding a conference during the last two days (Aug. 10 and 11) and are reported to have been discussing the line of policy to be adopted at the forthcoming negotiations in view of the resignation of Wang Ching-wei.

Interviewed upon arrival at Hongkong Aug. 9, General Huang declared that had come south to call on old friends and to visit his home in Kwangsi, as he had been away for several years. He insisted that his present visit has no connection whatsoever with the opening of the 6th Plenary Session of the Central Executive Committee of the Kuomintang. Regarding Hu Han-min's return to China, General Huang stated that he has heard nothing about the invitation extended to Mr. Hu by the Nanking Government.

Referring to Dr. Wei Tao-min, former Mayor of Nanking and present manager of the "China Times," who is passing through Hongkong on his way to Europe, General Huang stated that Dr. Wei is going to Europe on behalf of a certain bank and has not been appointed to invite Mr. Hu back to Nanking. Howeveer, Dr. Wei is expecting to see Mr. Hu in Europe.

RETURN OF HU HAN-MIN TO ATTEND C.E.C. SESSION UNCERTAIN

It is not definitely known whether Hu Han-min, veteran Kuomintang leader of the Southwest Political Council, is returning to China to participate in the 6th Plenary Sessions of the Central Executive Committee of the Kuomintang, Sun Ching-ya, member of the C.E.C. told pressmen in Shanghai Aug. 13.

The 6th Plenary Session is definitely scheduled to be held in Nanking on September 20, and in view of this early date, it is not likely that Mr. Hu would arrive in time for participation, said Mr. Sun.

C. E. C. members in Shanghai who are expected to entrain for Nanking in the near future to attend the Session include Mayor Wu Te-chen, Hsueh Tu-pi, Wang Pai-chun, Madame Liao Chung-kai, Pa Wen-wei, Chen Hsien, Chang Chih-pen, Chang Ting-pan,, Ho Shih-chen, Li Shih-tseng, Liu Ya-chih, General Yang Hu.

Military preparations are being carried on by Gen. Chen Chi-tang in Kwangtung, in view of the increased strength of the Nanking authorities' political campaign against the southwest, according to a report in *Shanghai Mainichi*.

As a result of the recent meeting of commanders in Canton on July 18, it was decided that machine gun units should be increased, and that the air force be strengthened.

In accordance with the decision, one machine gun company will be organized in each of the 70 regiments of the Kwangtung Provincial troops. The increasing demand for machine guns makes it necessary for the arsenal at Pakiang to develop its production on a large scale. Part of the arms are to be ordered from abroad. Special training will be conducted by the provincial air force from the 1st to the 15th of September. The landing fields at Chaochow and Swatow are being extended.

Kwangsi Provincial Government has issued instructions to the magistrates of various districts throughout the province that foreigners are to be strictly forbidden to photograph or survey forts or other stragetic places, according to a *Reuter* report from Canton.

The order has been issued in consequence of the mysterious activities of three Japanese who are said to have been making photographic surveys in Kweihsien.

C.E.C. ISSUES REQUEST FOR MINISTRIES' REPORTS

In view of the imminent convocation of the Sixth Plenary Session of the Central Executive Committee, the Executive Yuan has instructed all Ministries and Commissions under its control to submit their reports, covering works and activities since the last Plenary Session of the C.E.C. to the Yuan for transmission before the end of the month.

Reports of the Legislative, Judicial, Examination and Control Yuan are also being prepared by the respective organs for submission to the Sixth Plenary Session.

The two Chinese members of the Sino-British Yunnan-Burma Boundary Demarcation Commission, Liang Ju-kao and Yin Min-teh, will leave for Yunnan sometime in September to meet their British colleagues, according to information of the Ministry of Foreign Affairs.

FORMER SINKIANG CHAIRMAN SERVES SENTENCE IN PRISON

General Chin Shu-jen, formerly Chairman of the Sinkiang Provincial Government, who was sentenced last year to 3 years and 6 months' imprisonment by the Kiangsu Provincial High Court for treason against the State by inviting foreign menace to the Republic, is now serving his sentence in the Kiangsu 1st Prison. His final appeal against the decision has been rejected by the Supreme Court.

General Shen Shih-tsai, Defense Commander of the Sinkiang Border, has telegraphed the Shensi authorities to the effect that he left Tihwa on August 1st on an inspection tour of different districts in Sinkiang and would return to Tihwa by the end of August.

In an article in *Ta Kung Pao*, Tientsin, (July 30,) regarding the present conditions in the Northwest, Chang Chi-luan, editor of he paper, states: "I have been told that no Soviet military activities or propaganda are being darried out in Sinkiang. However, several Soviet citizens are employed in Tihwa, but most of them are engaged in technical work. A loan of several millions of dollars was once made to the Sinkiang Provincial Government by the USSR, as credit for ordering commoditiees. The Provincial authorities are attempting to develop small scale industry in the Province including the oil industry."

MINISTER OF JUSTICE INSPECTS JUDICIAL ADMINISTRATION IN NORTH

Wang Yung-pin, Minister of Justice, who had been inspecting the Law courts and prisons in Tientsin, arrived at Peiping Aug. 9. He inspected the local prisons on the following day. On Aug. 11 he will inspect the various law courts there. He left Peiping for Chahar on the 13th and arrived at Kalgan on the same day. After completing his inspection there he will visit Suiyuan, Shansi, Shensi, Honan and Anhwei.

Mr. Wang will return to Nanking early in September in time for the opening of the National Judicial Conference. After the close of the conference he will make a tour of the Yangtsze provinces to continue his inspection of judical affairs.

Japanese Journal Says Soviets Try to Curry Favor with Chinese While "Red" Elements Undermine Sinkiang

AN attempt of the Soviet Government to curry favor with the Chinese National Government while "Red" elements are slowly converting Sinkiang province into another Outer Mongolia was seen in an editorial published by the Shanghai *Nippo* Aug. 8.

"The complete independence of Sinkiang under a Red government is not far," the journal predicted, declaring that the province is already virtually autonomous and that the authority of the Nanking Government does not extend there.

"For the Nanking Government to claim sovereignty over Outer Mongolia would create laughter," the journal adds, pointing out that the tenth anniversary of a Soviet government in Urga was recently celebrated there. The *Nippo* further calls attention to the efforts of the Szechuen reds to expand into Kansu, Shensi and Ninghsia.

Regarding the alleged attempt of the Soviet authorities to seek the good graces of the Nanking government, the *Nippo* claims to know that a representative of the Soviet Union Petroleum Trust arrived recently in Shanghai to arrange for the shipment of 1,000,000 gallons of airplane gasoline to Nanchang.

Viewed from an international standpoint, this act of the Soviet Government is an extension of Moscow's European policy to the Far East, according to the *Nippo*, which sees a Red effort to unite with France and Italy against an Anglo-German bloc.

"Soviet-Italian relations have increased in cordiality since those between Japan and Italy have become delicate as a result of the Ethiopian question," the *Nippo* says.

"Italy is now taking the role of mediator between China and Soviet Russia in exchange for favors in Europe," the journal adds after underlining the fact that Italy has now become the largest seller of aeronautical equipment to China, surpassing Germany and the United States.

"The Nanking Government apparently has been served with a 'gag order' by the Soviets, for no matter how one may present proofs of machinations aimed at the Sovietization of China, there has not been a single protest or evidence of an anti-Soviet movement in the country," the *Nippo* concludes.

Support for Red Army Urged by Chinese Communist at Comintern Meeting

In a speech in Moscow, Aug. 8, before the congress of the Third International, Wang Min, Chinese delegate and a member of the Presidium of the Comintern, delivered an appeal to Chinese patriots to rally around the Red army in defence of the independence of China against the imperialism of Japan and "the traitors of the Kuomintang Party." The Communist forces in China, he told the assembly, comprise 500,000 men and occupy an area twice as large as that held by them last year.

U.S. May Protest to Soviets on Comintern Speeches

William C. Bullitt, American Ambassador to Russia is consulting with the State Department to learn whether or not he should make an official protest against speeches made during the Comintern Congress to the effect that the United States had violated its treaty with the U. S. S. R.

Recent telegrams from Moscow stated that Americans living there are suspicious of the Comintern's announced intention of assisting liberal parties to combat Fascism. This suspicion was aroused because of the speech of Earl Browder, an American, to the effect that the real purpose of the Comintern was an infiltration of Communism in the liberal parties with a view to secure eventual control of such parties.

More Soviet Prisoners Freed

Recent messages from Moscow recall that during the period in 1932 and 1933 when grain deliveries were being made, a number of officials not only could not stop kulaks from shirking their obligations in making grain deliveries to the State but committed infringements of their duty. In due time these officials were prosecuted and sentenced to various punishments. Now, however, considering that these crimes were not connected with any motives of self-interest but in the overwhelming majority of cases resulted from a lack of understanding (by those sentenced) of their service and duties, the Central Executive Committee has decreed that such persons shall be freed from serving their sentences any further.

Soviets Buy Japanese Wheat Flour

Soviet Russia, whose re-entry into the wheat market for the first time in two years, recently caused a flurry on the London board, concluded a major deal Aug. 10 for the purchase of Japanese flour. The Mitsui and Mitsubishi concerns, each representing their own mills, have contracted for the delivery of 400,000 bags of flour valued at Yen 1,000,000. The price, however, will be paid by Manchukuo, as the purchase comes under the goods to which Russia is entitled to under the terms of the agreement for the transfer of the North Manchuria (Chinese Eastern) Railway. Rice and soya bean purchases are also expected.

Soviets Place Orders in United States for More Than Double of Preceding Year

The Amtorg Trading Company announced in New York, Aug. 8, that during the first seven months of this year it had placed orders in the United States to the amount of $16,167,000 as compared with $7,320,000 during a corresponding period last year. In addition, the Soviet purchasing company said that the Russian Textile Syndicate during the seven-month period bought 8,500 bales of American cotton.

Alleged Sabotage in Soviet Russia

According to reports from Moscow, sabotage on a large scale has been practised for some time past on farms in the Soviet Ukrain, where barns, haystacks, sheds and farm buildings have been set on fire almost daily.

Soviets Re-Enter World Wheat Market

The morale of the international wheat market was recently somew at disturbed by Russia re-entering the market as a seller for the first time for two years, brokers recalling the debacle caused by Russian dumping in 1930 and 1931. The market is now regaining confidence, as present offers reveal no signs of dumping tactics. Only a moderate quantity is being offered owing to Russia's increasing internal requirements. It is generally believed that Russia is selling in order to obtain funds with which to purchase certain urgent requirements, including rubber.

New Soviet-Japanese Issues

By T. A. Bisson in *Foreign Policy Bulletin* (*July 12*)

Relations between Japan and the U.S.S.R. have recently been complicated by two new issues: Japanese encroachments in Outer Mongolia and alleged Japanese violations of the Siberian-Manchurian frontier. On July 1 the Soviet Ambassador, M. Yurenev, delivered a sharp note in Tokyo listing a long series of violations of Soviet territory by "Manchukuo" gunboats and soldiers. The apparently deliberate use of the term "grave consequences" in this note emphasizes the importance attached to the issue by Moscow. Japan's reply to the note has been delayed until a full report on the alleged incidents is submitted by General Minami, Japanese pro-consul in "Manchukuo." Meanwhile, the protest has been reinforced by the Soviet press and by a statement which Vlas Chubar, Vice Premier and member of the Politbureau, made on July 7. A tripartite commission for the adjustment of Siberian-Manchurian frontier issues, advocated by Tokyo, has yet to meet with acceptance on the part of the Soviet Union, which hesitates to afford this additional *de facto* recognition to "Manchukuo.

Similar frontier difficulties, complicated by far-reaching Japanese demands, have also arisen in connection with Outer Mongolia. Last January a Japanese force clashed with Mongolian troops at Khalka, on the Outer Mongolian frontier. As an aftermath of this clash, a Mongolian-Manchurian commission has recently been meeting at Manchuli in an effort—thus far unsuccessful—to delimit the Khalka border line. The commission's problems were aggravated by a second frontier incident on June 23, when the Outer Mongolian authorities arrested a Japanese army officer and a White Russian. On the basis of this affair a Japanese ultimatum was apparently delivered to the Mongolian section of the Khalka commission. A communique issued on July 6 at Ulan Bator, capital of Uuter Mongolia, and published in the official Soviet press, claimed that the ultimatum was contained in a note handed to the Mongolian members of the commission on June 4 by the Foreign Minister of "Manchukuo" and high Japanese army officers. The Japanese were said to have demanded the right of permanent residence for military observers in Outer Mongolia, the right for them to move about freely, and permission to run telegraph lines into Mongolia to facilitate contact with Manchuria. Unless these demands were met, Japan threatened to demilitarize eastern Mongolia. The communique also declared: "Recent events prove that Manchukuo, with the Japanese army's support, wishes to avoid peaceful settlement of border incidents and to prepare the way for further occupation of our territory." While recognizing the seriousness of the issue, which closely affects the U.S.S.R.'s position in Outer Mongolia, Soviet officials withheld comment pending further developments.

Chinese Court Imposes Fine of $200 on Slot Machine Operator

The First Special District Court on Aug. 3 imposed a fine of $200 on Tang Wei-ju, a Chinese operator of a slot machine in a restaurant in Honan Road in the Foreign Settlement of Shanghai. A slot machine had been found on the premises, operating in direct contravention to police orders. The Foreign Settlement authorities seized the machine and brought it into court as evidence against the accused. Police charged that the slot machine was nothing more than a gambling device and that Tang had left it in operation in his place after he had been told to take it out. The accused denied that it was a gambling machine, but that it was a merchandise vendor. His plea was overruled.

Narcotics Working Havoc in Manchuria—Doctors File Complaint

(By the Review's Harbin Correspondent)

IF the aim of the Manchukuo administration is the narcotization of its own population, as one has to admit to be the case, it has certainly achieved a considerable result. This is apparent from the terrible spread of the narcotic evil amongst all classes of the Manchurian population. That things have arrived at such a stage as described is obvious to everyone, even to a casual observer, who needs only watch one of drug joints to be found here almost on every street. Such was also the conclusion of the report submitted recently by Dr. N. F. Orloff, a noted physician here, to a meeting of the Association of Physicians and Surgeons of Harbin, held on July 26. The meeting was presided cover by Dr. A. B. Linder and attracted a big crowd of listeners who filled every space available in the otherwise empty hall of the Association.

The lecture was scientific in character and replete with much information on drugs, their origin and destructive influence on the human body. Summing up all this information, Dr. N. F. Orloff said: "The nation which is habitually addicted to any of the known drugs is bound to slow extinction, both physically and morally; the society composed of these members loses its very soul and ends in self destruction."

Of immediate interest were the figures disclosed by the lecturer relating to the narcotic trade in Harbin. "In this city, there are at present operating 29 narcotic dens, frequented by Europeans," he said. "A special investigation, carried out recently, had disclosed the fact that, in a day, each of these dens is visited by from 40 to 100 customers, mostly by youths of both sexes. These figures include only Europeans frequenting these drug dens, where they spend from 800 to 1,000 "gobi" daily for the satisfaction of their secret vices. The number of "Manchu" customers of these places could not be counted, for it was not the object of our study."

This is an appalling revelation. It means that if the den is working 14 hours a day, in every six minutes, it has a customer, *a European*, who leaves behind "Gobi" 6.42, on an average, not to speak of a portion of his health wasted away for the satisfaction of his hideous vanity. Dr. N. F. Orloff did not mention "Manchus," who doubtless constitute by far the greatest part of customers of these newly opened "businesses."

Closing of Dens Only Effective Preventive Measure

At the end of the lecture, Dr. N. F. Orloff was asked by those present, what are the most effective measures for the prevention of the narcotic evil? This question was replied to by the chairman, Dr. A. B. Linder, who said the closing of all narcotic dens is the only rational and effctive measure, which when carried out in earnest would likely to diminish the use of narcotics. Continuing further, he said that the Association of Physicians and Surgeons of Harbin had applied to the authorities with a petition to close down the narcotic dens, now working without any restraint whatsoever, and that the Association hoped that its recommendations would be accepted and carried out in practice to the greatest relief of the population.

It is gratifying to note that such an important organization as the Association of Physicians and Surgeons of Harbin has at last taken up this subject, thus collaborating with this and many other writers in bringing the hideous question of narcotics in Manchuria once again to the public notice. The statistics revealed in this connection are more than illuminating as is seen from the following table showing the number of the narcotic joints in the business section of Harbin as well as their ownership:—

Location		*No. of dens*	*Owned by Japanese*	*Koreans*
Japanese	Street	2	1	1
Korean	,,	1	1	—
Mongolian	,,	1	1	—
Uchastkovaya	,,	4	3	1
Polevaya	,,	3	—	3
Aptekarskaya	,,	2	2	—
Diagonalnaya	,,	3	3	—
Artilleriyskaya	,,	2	2	—
Torgovaya	,,	3	1	2
Mostovaya	,,	2	2	—
Zavodskaya	,,	1	1	—
Novogorodnaya	,,	3	3	—
Avenue Sui	,,	2	—	2
Total		29	20	9

It is important to note that, as said, these figures cover only the business section of Harbin, Pristan, and a small part of Fuchiatien, other parts of the city, such as New Town, Machiakou, Nahalovka, and so on, including a greater part of Fuchiatien, having never been visited by investigators of the Medical Association. Neither is it possible to tell the exact number of all these drug joints, usually camouflaged as pharmacies, photo-dealers, houses of prostitution, or even as groceries (e.g. a shop on Diagonalnaya Street commonly known to addicts as the "Iron") How many of them exist in Fuchiatien, a "Manchu" part of Harbin, in its innumerable lanes and passages, nobody knows, nor is there only one who has tried to investigate it. The spread of the evil may may be judged from the fact that one may buy heroin practically from every fruit vendor at the nearest corner. It is not unusual to see Russian youths smoking heroin cigarets right on sidewalks in company with rickshaw pullers and street urchins.

All these drug-traffickers appear to deal in all sorts of drugs, heroin and cocaine being the most usual ones. Dr. N. F. Orloff explained it as being due to the simplicity of their use; heroin is smoked, whereas cocaine is sniffed up. Other drugs, such as opium and morphine, are also sold to a special class of addicts using special paraphernalia for their handling. The lecturer did not touch the subject of the opium monopoly in Manchuria, which maintains its own sales offices in nearly every street and certainly in every village in the country. Its customers are of course the "Manchus," although it is said that there is quite a sizable number of Russians addicted to this drug as well. The Monopoly works admirably; it is a system in itself. Like gasoline booths in America or Europe, its agents may be found on every corner.

It would be incorrect to say that the Manchukuo Government is not making attempts to correct the evil, doing it, however, in its own truly "Manchukuoan" way; according to a recent ruling, every addict is liable to imprisonment not longer than two months or to a fine not higher than "Gobi" 60. The measure would probably be of some help were the authorities a little courageous in executing this ruling; they resort to it sporadically and only upon being pressed by parents of the victims. This gives, at any rate, an illusion that there is something being done towards stamping out the vice. Otherwise, every one, irrespective of nationality (the Japanese being strictly exempted, however), sex or age, is free to indulge in whatever narcotic vice he or she likes, procuring the drug at the nearest drug booth, thinly camouflaged as a respectable shop.

The Sad Case of an Educated Russian Victim

The way of "combating" the narcotic evil by the local police may be judged from the following incident reported by the *Harbin Times*, a leading Japanese paper here, in its issue for July 2:—

"Last night, while going about their beats, the police officers of the Pristan district arrested three Russian girls, Tatyana Orut, Valentine Kucherenko and Valentine Puzirevitch, all 19 years old. They were arrested while emerging from a morphine den on Japanese Street.

"The attention of the police officers was drawn to the unusual sight of well dressed European girls emerging from such a vile place together with a troop of street urchins. Of them, Valentine Puzirevitch was dressed almost exquisitely, wearing a dress of the most fashionable design. Upon searching her, the officers found three 'shots' of heroin in her bag.

"The officers took Miss Puzirevitch home, where they handed her over to the care of her mother. The girls were warned that in case of another arrest they would be jailed."

A little inquiry into this case, which has become rather trite here, revealed the fact that Miss Valentine Puzirevitch is a daughter of well-to-do parents, who gave her an excellent education. A year ago she graduated from a college in Tientsin. She speaks English, French and Chinese, besides of course Russian, which is her native tongue. First, she contracted the habit from a friend, who, to satisfy her curiousity, gave her a cigarette of heroin to smoke. Thereafter, the countless drug shops, open day and night, completed her doom.

It is said that her parents tried all sorts of measures to save her from the dreadful habit. Once the mother had her chained to the bed in the room, and kept her there fourteen days. Then she was freed, and for some time showed signs of being cured. But the moment she passed by one of the shops she used to frequent she gave in, the habit seizing her completely. Since then, for the fear that she might do something irrational, the parents allowed her to have her usual number of "shots" daily.

Upon hearing that the anti-drug campaign in China is having quite a satisfactory result, Mrs. Puzirevitch intends—it is said—to take her erring daughter to Tientsin or Peiping and to place her in one of the anti-drug clinics, said to be opened by the authorities in the named cities. In this respect, the "Manchukuo" jails are certainly not sanatoria. It is disgusting to hear that even in prisons the addicts have ways and means to obtain their usual "shots", only perhaps at prices a little higher than in the streets.

Harbin, August 3, 1935.

Japanese to Relinquish Extrality Rights in Manchuria

Formal decision to relinquish Japan's extraterritorial rights in Manchukuo was made Aug. 9 by the Tokyo Cabinet. The Government's plan will now go to the Privy Council for Imperial approval. Following the meeting, the Foreign Office issued a statement emphasizing that the rendition of Japan's rights in the new State will be gradual, with the transfer of the taxing power over Japanese nationals being the first step. This will be followed by the transfer of police authority in the South Manchuria Railway zone.

Meantime, some observers see harbingers of possible conflicts in Manchukuo in a resolution passed by the Japanese Residents' Corporation in Mukden and reportedly wired to all similar organizations throughout the new State.

The resolution expressed fears that the Manchukuo Government might increase the present taxes, levied by the Residents' Associations, by 10 to 30 times. The resolution also urges the Hsinking Government to appoint Japanese tax assessors to supervise the Japanese taxpayers.

Apparently alarmed by the action of the Mukden Association, a spokesman of the Hsinking Finance Ministry has emphatically denied that the Government would radically change the present schedule of taxes, reports from the Manchuko capital said.

The Tokyo Cabinet Aug. 9 approved the progressive relinquishment of extraterritoriality in Manchukuo and instructed the authorities concerned to devise concrete measures for the purpose and to put them gradually into effect. The South Manchuria Railway zone will be retained by Japan as heretofore, but its administrative rights will be transferred to "Manchukuo" progressively. Japan's right in the Leased Territory of Kwantung will not be affected by the transfer of Japanese administrative rights in the S. M. R. zone to Manchukuo. Questioned by his colleagues concerning the effect of Japan's reliquishment of extraterritoriality in "Manchukuo" on foreign residents in the new state, Foreign Minister Koki Hirota replied that as abolition would be progressive, it would entail no violent changes.

In a statement to the press subsequently a spokesman of the Foreign Office declared that Manchukuo had made brilliant progress since its founding, preparing for the abolition of extraterritoriality by setting up a judicial system and by effecting reforms in various departments. In view of the situation, the spokesman proceeded, it had now been deemed necessary to adjust matters, as, as a first step, Japan's administrative rights in the S.M.R. zone will be transferred to "Manchukuo."

Incidentally, the *Asahi* reports that diplomatic observers are of the opinion that the government is prepared to give up its extraterritorial privileges in China if the differences between the two countries are removed and political life in China is "rendered rich and substantial." Consequently the Chinese Government and the Chinese people are urged to make vigorous efforts in establishing peace in the Far East.

Manchukuo Decree Will Not Affect Gold Mines

The *Nippon Dempo* correspondent at Hsinking (Changchun) reported Aug. 2 that Manchukuo is desirous of avoiding foreign protests similar to those made in connection with the petroleum industry when the Government monopoly was announced. Government officials are quoted as saying they will reject such protests if they are made in connection with a decree concerning the country's mining interests. The decree gives the Government full control over all minerals necessary for national defence. It says also that Manchukuo is not obliged to guarantee any foreign vested interests under old China treaties unless such nations recognize Manchukuo's independence. Nevertheless it is believed the Changchun Government's position will have little effect on foreigners generally since an examination indicates that the only foreign interest concerns a Russian-owned coal mine which Manchukuo will purchase. But, the correspondent points out, if foreign nations recognize Manchukuo, the Government will be in a position to consider the question from an entirely new angle. It is understood the decree does not affect gold mining and other mineral operations not essential to national defence.

Two Thousand Workers Will Convert N.M.R. Into Standard Gauge

More than 2,000 workers will be mobilized on the night of Aug. 31 to convert the narrow-gauged North Manchuria Railway line between Harbin and Hsinking into standard gauge. The whole operation is scheduled to take only three hours, although preliminary works will begin ten days earlier. Thousands of soldiers will also be drafted to guard the workers from all eventualities. The conversion operations will be done in 96 sections, directed from Harbin and the Capital. The completion of the work will be celebrated on the night of Aug. 31 by an elaborate banquet at the local Yacht Club and a free ride on the super-express Asia. The latter will be enjoyed by the lucky holders of special tickets.

S.M.R. Decides to Establish New Company for Special Manchurian Products

The South Manchuria Railway Company has decided to establish a new company for exporting special products of Manchukuo into China. The name of the company is to be the Kochu Company (Hsing Chung Company) and its capital Yen 10,000,000. Papers applying for permission for its establishment will shortly be submitted to the Manchurian Affairs Bureau. Shinji Soko, former director of the S.M.R., is expected to be appointed president.

Japan's Expenditure in Manchuria Said to Be Milliard Yen Since Outbreak of "Incident"

According to the Tokyo *Jiji*, Japan has already invested one milliard yen in Manchukuo since the outbreak of the Manchurian "Incident." This sum includes an increase in the capital of the South Manchuria Railway Company as well as military expenditure. The journal adds that the financial authorities are now formulating a plan to control further investments in Manchukuo and North China owing to fear of Japan's international payments being upset. In this connection, Mr. Matsuoka, President of the South Manchuria Railway Company, is holding conferences with the Prime Minister, Admiral Okada, the Minister of Finance, Mr. Takahashi, and the Minister of War, General Hayashi.

The evacuation of Soviet ex-employees of the Chinese Eastern (North Manchuria) Railway was completed Aug. 12. Altogether, 5,639 families, representing 19,174 persons, have been repatriated during the last four months. It is estimated that only 600 Soviet families are remaining in North Manchuria. The administration of the North Manchuria Railway has published a notification that Soviet ex-employees who wish to take up residence at Shanghai, Dairen or any centre in Manchuria will be granted free transportation for themselves, families and belongings.

28,000 Bandits in Manchukuo

About 28,000 bandits were active in Manchukuo at the end of last month, the Kwantung Army Headquarters estimated Aug. 12. Of this number, the Army statement said, 8,000 belonged to anti-Manchukuo and anti-Japanese bands, 7,000 were communists, 500 were Korean outlaws and the remaining 12,500 were regular Chinese bandits. Most of the brigands had their lairs in the thickly wooded region along the Soviet-Manchukuo border, the statement asserted.

Japanese "To-A" Company to Build New Cigarette Plant in Mukden

Construction of a new plant covering about 74 acres in Mukden and the curtailment of the operations in the Newchwang factory has been decided on by the officials of the Japanese To-A (East Asia) Tobacco Company. When the new plant is completed in October, the annual production of the Company will be increased. This Japanese action follows on reports from Mukden two weeks previously of the "roaring" business being done by the B.A.T., the demand having been so great that the B.A.T. had fallen behind in deliveries.

Manchukuo Soldiers Accused of Blocking Gareth Jones' Release

Official, semi-official and other newspapers in Peiping charge the Manchukuo troops in the area where the British journalist, Gareth Jones (Manchester *Guardian* correspondent), is being held captive, with frustrating the efforts made by the Chinese authorities to effect his release. It is alleged that Manchukuo troops are preventing emissaries of the Chahar provincial government from approaching the area to resume negotiations for the liberation of the captive, who was taken prisoner on July 27.

Peiping Bureau of Printing and Engraving to Wind Up Affairs

The Bureau of Printing and Engraving of the Ministry of Finance at Peiping announced suspension of business Aug. 8.

The Bureau, which has for the past two or three years been struggling hard to make both ends meet, found it difficult this year to resist the increasing force of the aggravated business and financial slump in the former Capital.

Some time ago, it is learned, in order to tide over the financial difficulty, the Bureau began to reduce the wages of the workers and cut down its staff. Already dissatisfied with the reduction of wages, the workers became infuriated when the Bureau failed to pay even their reduced wages last month.

Meanwhile Liu Tso-chow, representative of the Ministry of Finance, has arrived in Peiping to discuss with Wu Ta-yieh, director, of the Bureau, regarding measures for the winding up of the Bureau's business.

Y. D. Shen, former director of the Bureau, has been found "guilty" of mismanagement by the Commission for the Disciplinary Punishment of Public Functionaries, and suspended for 14 years from holding any government post.

CHINESE RAILWAYS

SHANGHAI-PEIPING THROUGH EXPRESS.
(Connected with N.S.L. Nos. 301 & 302)

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
20.45	21.25	PUKOW	1.20	1.40
16.54	16.57	LINHUAIKWAN	5.40	5.43
16.04	16.19	PENGPU	6.19	6.34
13.52	13.57	NANHSUCHOW	8.45	8.50
11.50	12.05	HSUCHOWFU	10.50	11.10
10.02	10.17	LINCHENG	13.00	13.15
9.13	9.16	TENGHSIEN	14.06	14.09
7.40	7.55	YENCHOWFU	15.36	15.56
7.15	7.18	CHUFOU	16.21	16.24
5.34	5.42	TAIANFU	18.05	18.20
3.25	3.45	TSINANFU	20.12	20.42
2.03	2.13	YUCHENGHSIEN	22.05	22.15
0.24	0.39	TECHOW	23.55	0.25
22.37	22.47	POTOUCHEN	2.12	2.22
21.36	21.46	TSANCHOW	3.16	3.29
18.30	18.40	TIENTSIN (C)	6.40	7.00
17.59	18.20	TIENTSIN (E)	7.10	7.35
—	15.05	PEIPING	10.29	—

PEIPING-HANKOW RAILWAY.

14.05	PEIPING	22.00
13.27	CHANGSINTIEN	22.48
9.54	PAOTUNG	2.28
5.50	SHIHCHIACHWANG	6.28
2.19	SHUNTEH	10.01
19.27	SINSIANG	16.45
16.43	CHENGCHOW	19.26
13.59	HSUCHOW	22.08
12.16	YENCHENG	23.51
9.58	CHUMATIEN	2.34
6.10	SINYANG	6.01
3.36	KWANGSHUI	8.36
22.45	KIANG AN	13.15
22.30	HANKOW (Tachimen)	13.25

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
9.30	—	HSICHIMEN	—	16.48
8.06	8.16	NANKOW	18.07	18.17
—	—	CHINGLUNG-CHIAO	—	—
1.52	2.07	KALGAN	0.30	0.45
19.34	19.49	TATUNG	7.01	7.21
15.48	16.03	PINGTICHUEN	11.04	11.19
10.56	11.16	SUIYUAN	15.42	16.02
—	7.00	PAOTAO	19.58	—

LUNGHAI RAILWAY.

5.15	—	HSUCHOWFU	—	21.10
0.57	1.17	SHANKIUHSIEN	1.16	1.56
20.47	21.07	KAIFENG	6.20	7.00
18.40	19.00	CHENGCHOW	8.49	9.09
14.45	15.10	LOYANG E.	12.58	13.23
9.30	9.55	SHANCHOW	18.30	18.55
—	6.10	TUNGKWAN	22.15	—

KIAOTSI RAILWAY.

7.35	—	TSINGTAO	—	21.00
5.48	5.50	KIAOCHOW	22.46	22.48
5.06	5.16	KAOMI	23.19	23.30
3.26	3.41	FENGTZU	1.01	1.16
3.03	3.05	WEIHSIEN	1.36	1.39
1.36	1.38	TSINGCHOW	2.55	2.57
28.59	0.01	CHOUTSUN	4.32	4.35
—	22.00	TSINANFU	6.30	—

CHENGTAI RAILWAY.

19.42	—	SHIHCHIACHWANG	—	7.58
18.14	18.16	TSINGCHINGHSIEN	9.27	9.29
16.00	16.15	YANGCHUAN	11.47	12.01
14.48	14.50	SHOUYANGHSIEN	13.50	13.52
12.40	12.49	YUCHIHSIEN	15.25	15.35
—	12.08	TAIYUANFU	16.07	—

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Zku-Nkg Express R. Through	Express R.	STATIONS DOWN.		Express R.	Nkg-Zku Through Express R.
ZAHKOU	d.	7.45	17.30	SHANGHAI, N.	d.	7.50	15.00
HANGCHOW	d.	8.15	17.55	JESSFIELD	d.	8.07	15.17
CHANGAN	d.	9.06	18.53	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.25	SHANGHAI, S.	d.	7.55	—
KASHING	d.	10.17	20.05	SUNGKIANG	d.	9.05	16.05
KASHAI	d.	—	20.31	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	9.51	—
SUNGKIANG	d.	11.25	21.20	KASHING	d.	10.25	17.20
SHANGHAI, S.	a.	—	22.25	YEHZAH	d.	11.01	—
SICCAWEI	d.	—	—	CHANGAN	d.	11.34	18.25
JESSFIELD	d.	12.11	22.16	HANGCHOW	d.	12.31	19.20
SHANGHAI, N.	a.	12.25	22.30	ZAHKOU	a.	12.50	19.35

NANKING-SHANGHAI LINE.

STATIONS UP		Express R.	Thro. Exp. Zku-Nkg R.	S'hai-Peiping Thro. Exp. (No. 302) R.S.	Night Express R. S.	STATIONS DOWN		Thro. Exp. R. Nkg-Zku	Express R.	Night Express R. S.	Peiping-S'hai Thro. Exp. (No. 301) R.S.
SHANGHAI, N.	d.	8.00	13.00	16.05	23.00	NANKING	d.	8.00	17.00	23.00	24.00
NANSIANG	d.	—	—	—	23.33	CHINKIANG	d.	9.25	18.25	1.00	1.54
KUNSHAN	d.	9.05	14.15	—	—	TANYANG	d.	10.07	19.05	1.52	2.43
SOOCHOW	d.	9.50	15.00	18.04	1.13	CHANGCHOW	d.	11.01	20.00	3.05	3.51
WUSIH	d.	10.41	15.51	18.55	2.13	WUSIH	d.	11.52	20.55	4.07	4.48
CHANGCHOW	d.	11.45	16.45	19.53	3.13	SOOCHOW	d.	12.47	21.50	5.13	5.52
TANYANG	d.	12.33	17.36	20.48	4.23	KUNSHAN	d.	13.26	—	—	—
CHINKIANG	d.	13.16	18.20	21.34	5.14	NANSIANG	d.	—	—	6.54	—
NANKING	a.	14.30	19.35	22.55	7.00	SHANGHAI, N.	a.	14.25	23.30	7.20	7.55

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1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.

2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

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The Future of China's Policy Toward Japan

BY C. Y. W. MENG (孟長泳)

IT is of no use for us to reiterate the Chinese policy in the past towards the Manchurian situation since the forcible invasion and occupation of Mukden on the fatal night of Sept. 18, 1931. Nor is there any use for us to further attack the many blunders committed by the Government in not adopting a definite foreign policy to deal with the situation right after the outbreak of the crisis; in not resorting to the Nine-Power Treaty, and in not resorting to "Anglo-American co-operation", "Sino-Russo Co-operation," or "Sino-American-Russo Co-operation" to oppose the Japanese aggression in China; and to further accuse the Government that it was due to lack of statesmapship, farsightedness and courage in coping with the Japanese aggression that has at last put us in the hopeless situation we are in today. As a result, not only the "Three North-Eastern Provinces" (Manchuria) have been lost, but also Jehol and Charhar, with five other northern provinces following. But it is far more useful and interesting, as well as constructive, if we turn our attention to study the present situation with a view to finding out (1) what will be and should be the "probable" Chinese policy towards the situation in the near future; and (2) whether such policy is advisable or suicidal to China? We shall study the situation not only from the opinions of political circles but also the opinions of the Chinese public.

The Peace Treaty of Brest-Litovsk

In his lengthy article on a "lesson" from Russian diplomatic history, Dr. Ting Ven-kiang, China's foremost scientist and formerly mayor of Greater Shanghai, drew an analogy between the present crisis which China is facing with the signing of the "Peace Treaty of Brest-Litovsk" by Russia with Germany. After dwelling on the historical back ground when Russia went to war against Germany for three years; when Russia was almost exhausted; when the Bolshevik Revolution of 1917 broke out; when the most chaotic conditions existed in the country; when a stable government was not coming into power and when many border states declared their independence, Lenin, the then leader of the communist party, was most anxious to conclude peace with Germany. The communist leader agreed rather to sign the Treaty unconditionally. But the then foreign minister of the communist government agreed that Russia should wait until the Germans had actually mobilized their forces and begun their offensive, and then Russia should sign the Treaty "after a period of resistance," so as (1) to lessen the danger of impending break-up of the communist party within; (2) to convince the Russian people that the government was forced to sign the peace, and (3) to demonstrate to the world that the communists were not the "tools" of the German military party. The learned foreign minister also pointed out that though Russia was exhausted and could fight no longer, Germany was equally exhausted, pointing out that the general labor strike in January in Germany indicated that there was an impending break-up between the German labor and military party. The same diplomat also agreed to adopt a policy of "peace but without signing any treaty." To all this, Lenin could not agree, pointing out that "at present moment the revolution is the most important thing the of all, and we must make our revolution secure regardless of the price we have to pay for it." So, when Germany renewed their attack on February, 1918, the Central Committee, under Lenin's influence, signed the Peace Treaty of Breat-Litovsk. But this time, the Central Powers demanded the acceptance of "far more severe terms," to which after further debate the Sovnarkom agreed, and the revised treaty was signed on March 3, 1918. In the meeting of the central political council, in answering the question, whether Germany might not further advance to Moscow, irrespective of whether the Russians had signed the Treaty or not, Lenin said that the Russians "might free eastward to form a 'Kusnetsh' Republic," and that what was wanted was "unity within" through which the Russians could develop and extend the Kusnetsh republic and stage a "return" to Moscow!

In conclusion, our learned scientist compares Ukrainia to the North of China; Kusnetsh as the Provinces of Hunan, Kiangsi, and Szechuen of China, and Kamchatka to Yunnan "So I hope our 'first class leaders' might learn much from Lenin in deciding what is the important first; beside that we can give way. Our 'second class leaders' might learn much from the Russian foreign minister in gladly shouldering the responsibilities; in offering his opinions, in not grudging, and in co-operating with other officials in the government. I hope, we all prepare to go to the "Kamchatka of China," concluded Dr. Ting,

In other words, what Dr. Ting advised was that China should realize that "our revolution is the most important of all, and we must make our revolution secure, regardless of what price we have to pay for it"; and that in case of further Japanese advance, "we should all prepare to flee to Yunnan" to establish another republic there and wait for the opportunity to stage our "come-back to Nanking." To sign the treaty after a preiod of resistance, or to conclude peace without signing any treaty, was characterized as what the "second class leaders" should do!

Analogous to Nanking's "Realist Policy"

To advise China "to do what is important first" is analogous to what the Nanking leaders used to call the "realistics" of the situation. "The revolution is the most important thing of all, and we must make our revolution secure" has very much in common with the "slogans" which could be seen everywhere on the walls of the Capital when the Nanking people staged a big welcome to the Generalissimo in celebration of his "victory" over the Reds, and which read: "In order to resist aggression from outside, we must 'first' pacify the condition within" (攘外必先安內). Since the outbreak of the Mukden Affair, we always wonder and ask ourselves: What has been the Government's policy? But these words on the wall tell us most explicitly what has been the guiding principle of Nanking policy. So, since then, Nanking has devoted its whole attention to the suppression of communist-bandit up-risings in Kiangsi and many other provinces. At present, it is reported that about 50,000 or 60,000 men—all being the best trained armies—have been thrown into the so-called "suppression campaign." In case of the outbreak of any "fresh incident" in the North, it is quickly designated as a "local incident," and settled locally. In case of the presentation of "fresh demands" by the Japanese militarists, they are accepted wholesale, expressly or impliedly. This is because the leaders in power today believe that China "must first pacify her conditions within." She wants peace with Japan. She is willing to buy the peace "regardless of what price and has to pay for it!"

"A Policy of Compliance"

This explains why the policy of "non-resistance" is followed by a policy of "compliance". It is because the so-called "realists" usually point out that China today is in the same condition as Germany after her defeat in 1918 when France, her traditional enemy, invaded her territories and inaugurated a "reign of terror," and set up the so-called "separatist autonomous Republic" in the Rhineland, and when it was physically impossible for Germany to resist and when Dr. Stressemann had to give up a policy of resistance and adopt a policy of "fulfillment" and "compliance." But, continue the realists, as a result, Dr. Stressemann had to his credit many great events. As it is equally impossible for China to resist Japan' might, China had better take the other alternative and adopt a realistic policy." When such policy is being adopted, China, of course, would not turn to Geneva, Washington, London, or Moscow for action, but exclusively to Tokyo for negotiation. Most of China's well-wishers and observers suggest that China resort to diplomacy and invoke Anglo-American co-operation, or Sino-Russo co-operation, etc,. to save the situation, but China herself, up to this time, has never taken any step towards such direction.

Dr. Hu Shih's "Rejoinder"

Space does not permit us to produce in full "Germany's new peace terms" which were forced upon Russia, so as to show that Moscow really paid a very big price for peace with Germany. It cost Russia the loss of nearly one-third of its national territories and payment of G.$105,000,000 to Germany! But in the end, the question is: Did it afford peace for Moscow to make the revolution secure?

In reply to Dr. Ting's article, Dr. Hu Shih, a philosopher of international reputation, writing on the same subject, pointed out that the conclusion of the Peace Treaty of Brest-Litovsk, was followed by internal political dissensions and sanguinary warfare for no less than three seccessive years. Russia had faced not only internal warfare but also international armed intervention. The siege of Moscow by the anti-revolutionalists was only relieved by relieving the siege of Kazan. Lenin's policy of "fleeing eastward in face of further German advance" was afterwards replaced by an order from the National Defence meeting held in July, 1919, "to defend the territory until the last drop of our blood is exhausted." To Dr. Hu, the change of policy from "fleeing eastward" to a policy "to defend the territory to the last drop of our blood" is a lesson which the Chinese should learn from Russian diplomatic history.

Nanking's Policy of "Pacifying First the Condition Within" in the Balance!

At present, apparently, Nanking is hoping for the same thing. By accepting the Japanese demands wholesale, by exerting more "friendly gestures," such as the elvation of the status of legations to that of an embasses, etc., by discussing with the "invaders" the "economic bloc," and lastly, by agreeing to the Japanese "plans" to develop the Northern Provinces, which, as every observer knows, are nothing short of the domination of North China by Japan, politically, economically and militarily, and the loss of North China to China, China "hopes" to have a "glorious armistice" or "democratic peace" with Japan, so that China may go on with the task of "pacifying first the conditions within." But the signing of the Peace Treaty of Brest-Litovsk

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should be a sufficient lesson to us that the aggressor would never let us have a glorious armistice or democratic peace, but would only force us to sign the most derogatory and humiliting treaty; and as soon as such treaty is signed, it is bound to stir up further internal political dissensions or the downfall of the party in power, rather than "to make the revoolution secure!"

This is particularly true so far as the present Sino-Japanese crisis is concerned. In the case of Germany and Russia, the former did not have any "territorial design" in, or intent to conquer, the latter, but just treated the latter as the "defeated" party, wresting territory and demanding a huge indemnity. In the case of France and Germany, the former had only the desire to make the latter less strong so as not to menace the former. But in the case of China and Japan, it is entirely a different situation. It goes without saying that Japan wants to conquer all of China and to declare her hegemony in Asia. So when Manchuria was occupied, the invasion of Jehol and Charhar began. When Jehol and Charhar were occupied, the invasion of North China began. When North China is occupied, the invasion of the Farther North-west and Eastern China (the Provinces of Shantung and Fukien, etc.) will begin. So the Japanese militarists will never be satisfied and the Japanese military actions will never cease until all of China is controlled and dominated by Japan. So Nanking may go ahead and accept the Japanese demands wholesale and sign one "disgraceful agreement" after another; may hope to have peace with Japan and go on "pacifying first the conditions within"; may "dream" that China may be able to take up arms against Japan after 20 or 50 years; and may intend to flee to the "Kamchatka" of China (Yunnan), but in the end, China will find that she is merely signing a "Peace Treaty of Brest-Litovsk" with Japan, which not only will cost China heavily, but will also be the cause for further defeat, political dissensions and warfare. In the case of Russia, the Peace Treaty was fortunately afterwards abrogated through Germany's internal situation, but in the case of China, the adoption of such policy means not only the complete loss of our national prestige but the virtual extinguishing of China!

It is true that Lenin agreed to sign the peace treaty with Germany but there were some limitations beyond which he would not agree. So when Germany demanded the right to station troops in the German Legation in Moscow, Lenin declared that Russia would "fight". In other words, Lenin agreed to have peace with Germany, but the national prestige and political power of Moscow must be protected and kept intact but it seems to us that Nanking is anxious to have peace with Japan without any limitation at all!

A Change of Nanking's "Realistic Policy" Imperative

Our study of Russian diplomatic history has taught us a good lesson that the signing of the "Peace Treaty of Brest-Litovsk" is not advisable. Our bitter experiences in the past three years in dealing with the Japanese militarists have also convinced us that the more conciliatory we are, the more aggressive the invaders become; and the more "disgraceful agreements" we sign, the more national prestige and territories will be lost, leading virtually to Japanese control and domination of China but on the other hand, our study of American, German and Japanese history has convinced us that the national crisis, which is facing China today, should be taken and utilized as "a blessing in disguise" in effecting national unification. The North and South in America were not unified until her war with Spain in 1898. The various states in Germany were not unified until her war with France in 1787. The different tribes in Japan were not unified until her wars with China and Russia. So from our studies of the past history of other nations, we propose to the leaders in power to discard the policy of "in order to resist the aggression from outside, we must first pacifiy the condition within," and change it into "in order to pacify the condition within, we must first resist the aggression from outside" (安內必先攘外). In other words, what we suggest is the same policy but just in its "reverse order." So we conclude that we agree more with Dr. Hu Shih than with Dr. Ting Ven-kiang in their interpretations of a "lesson" from Russian diplomatic history. We should never sign a "peace Treaty of Brest-Litovsk" with Japan. We should never prepare ourselves to flee to the "Kamchatka of China," but we should change our past policy of "non-resistance" and "compliance" to a policy "to defend every inch of our territory until every drop of our blood is exhausted!"

Nanking, August 10, 1935.

Opium Smoking and Gambling Flourishes in Tongshan

As an attraction in their customer-catering methods, opium dens and gambling joints in Tongshan, mostly under foreign management, are now employing waitresses, according to word received from Tongshan. These illegal concerns, the dispatch says, are doing prosperous business, over 200 such dens at present dotting the town. Besides serving opium, these foreign firms also openly sell heroin and other narcotic drugs.

Fact and Fiction About the Mongols

(*People's Tribune*, *August 1*)

RECENT cables indicating Russo-Japanese tension in connection with the situation in Mongolia make the position of the Mongols in territories now largely controlled by Japan or Soviet Russia a subject of special interest. Many observers see in this situation the element most likely to bring about war between Japan aud the Soviet Union. Those who offer up daily prayers for such an eventuality and seize upon every incident to predict immediate conflict between two Great Powers, who have many easier things to do than destroy one another, find continued hope and inspiration in various events on the Mongolian border.

The Japanese have tried, both before and during the occupation of the North-Eastern provinces, to make use of the Mongols to the west of these provinces. The Lytton Commission was told of the wrongs of the Mongols and every attempt was made to develop a national (but pro-Japanese) feeling among scattered Mongol tribes with very little sense of solidarity of any kind. The numerical importance of the Mongols was greatly exaggerated, and their position as "allies" of the new "Manchu" regime emphasized.

Similarly, in that compendium of information, misinformation, and propaganda frequently referred to as the "Anti-China Year Book," we find it stated in the section devoted to Mongolia that while the population of Outer Mongolia (the "Outer Mongolian Republic") is possibly "as much as a million," the "population of Inner Mongolia is much greater... Southern-Inner Mongolia, under Chinese administration," has "probably a million Mongols..." In "Eastern Inner Mongolia (including Jehol), which is under the control of the 'new State' of 'Manchukuo,... there are at least a million and probably a million and a half. Mongol estimates claim as much as two million (one million for Jehol alone) or even two and a half million."

Fact and Fiction About the Mongols

This section of the "Year Book" in question was written by Owen Lattimore, author of "The Mongols of Manchuria," a book which appeared at about the same time as the "Year Book" above quoted. In Mr. Lattimore's own book he put the figures even higher, declaring that the Mongols total some five millions in all, including some two millions in Manchuria. These two million Manchurian Mongols, the book declared, were mostly located in the "Hsingan provinces" of "Manchukuo," which was described as "a kind of national reservation, within which the Mongols may govern themselves. . . . It has its allotment of Japanese advisors . . . . but they exercise a less minute control, for the Mongol position is virtually one of alliance. The province has its own troops and is free of garrisons of the 'Manckukuo' army. The civil administration and military organization are either in the hands of Mongols, or promised to them for the future. . . . . There is a provincial administration. . . . . The headquarters of this provincial representation, or supervision, are not within the province, but at Hsingching, the National capital—which again is in keeping with the special standing of the Mongols, approximating to alliance."

Except for the fact of "provincial supervision" from Changchun, the above appears to have been wholly hyperbole. Recent border incidents in the so-called "autonomous Mongol province," news of which has been sent out by the Japanese agencies themselves, have made it clear that there are "Manchukuo" forces and Japanese officers in the area which Lattimore declared was free of them. Not only are there "Manchukuo" forces under Japanese officers in this area—the dispute now going on between the Japanese and Outer Mongolia started with an incident involving such forces and officers along the border,—but Japanese police stations have been established in the Mongol communities. On July 25 there was an attack, reported by the Japanese official news agency *Rengo* from Changchun, on the office of the Naman Banner in "West Hsingan" (which is Japanese for "North Jehol"), in which four Japanese officials and the wife of one of them were killed and 540 prisoners (an amazing number for a Mongol tribe) freed from the prison the Japanese had established there; the magistrate's office was burned down, but the "homes of residents" were not injured; the rebels established their own authority and headquarters in the community temporarily freed from Japanese rule, though "Japanese forces were being rushed in motor trucks to aid 'Manchukuo' forces" in recapturing the place. So much for the much-advertised "Mongol autonomy."

As for the "provincial supervision" at Changchun being "in keeping with the special standing . . . . approximating to alliance", this is absurd, as the special status of "Hsingan Province" simply consists in its coming directly under a special department of the Japanese-controlled Board of General Affairs at Changchun, instead of under the various "Ministries" of "Manchukuo"; instead of being ruled by the Japanese through the "Manchukuo Ministries," Hsingan has been ruled direct.

Other statements made by Lattimore have also been contradicted by news reports, including those from the Japanese themselves. Railway building, for instance, was said to have been confined by the Japanese to the non-Mongol parts of Manchuria, keeping the Mongols tribal and preventing any large Chinese immigration into Mongol territory. Japanese reports, however, make it clear that railways are being built both west and north through Mongol—or shall we say "Hsingan"—territory in Manchuria. But most striking of all is the matter of population, regarding which we have already quoted the "Anti-China Year Book."

"The Mongols are important numerically," says Mr. Lattimore in his own work, "as the largest racial minority in Manchuria. . . . . No exact figures are available, but the fairest estimate is probably two million. The importance of the Mongol population has usually been minimized in order to enhance the importance of the Chinese character of Manchuria." But it is clear that the Japanese have no such motive and during recent years Japanese propagandists have emphatically insisted how "non-Chinese" the North-Eastern provinces were. The Lytton Commission was faced with statements by various Japanese bodies, such as the "Manchu-Mongol League" at Harbin, of how highly important and numerous the Manchus and Mongols of Manchuria were, statements which the Commissioners took with an adequate number of grains of salt. But now some other Japanese—not the Propaganda Department but a census getting necessary data on population—have completed a counting of heads in "Hsingan Province," results of which were dispatched by *Rengo* from Changchun on July 13, showing that something over "470,000 Mongols reside in Hsingan Province, western Manchukuo, according to figures released by the Mongolian Administration Department. Mongols living in other parts of the country number 113,258."

In other words, Mr. Lattimore's figures were some four times in excess of the actual ones—an enormous exaggeration. His statement that "about two million [Mongols] are in the Hsingan Province of 'Manchukuo'" was clearly quite erroneous, as shown by figures from the Japanese themselves. And not only are the Mongols comparatively small in numbers, but even in "Hsingan Province,"—which Mr. Lattimore designated "Mongol territory"—the Mongols are in a minority. The Chinese population totals 604,601, in 109,894 households. What this means is that instead of being under Chinese puppets controlled by the Japanese, as elsewhere in "Manchukuo," the Chinese majority in "Hsingan" is under Mongol puppets controlled by the Japanese.

There is no reason to doubt the essential correctness of the recent Japanese figures, as the Japanese have no political motive for showing the situation in the light made clear by these statistics. "Hsingan Province," it is evident, is simply that part of Manchuria where most of the Mongols are located, and where the Japanese have allowed Mongol princes certain powers instead of utilizing Chinese puppets. But the majority of the populationt even in this area, is Chinese. As for the Mongols themselves, their numbers are so small that they are not even "the larges, racial minority in Manchuria," as alleged by Mr. Lattimore. The total number of Mongols in "Manchukuo," both in and out of "Hsingan Province," is less than 590,000 all told. They are greatly outnumbered by the Koreans, who number about a million in "Manchukuo." As for the Manchus, the mass of these are so completely assimilated that they are hardly to be distinguished from other Chinese, but if they be academically grouped together their numbers also would be much greater than the Mongol total.

The Mongols of Manchuria, therefore, are numerically quite insignificant. Mr. Lattimore's statement that "there are actually about twice as many Mongols in 'Manchukuo' as there are in Outer Mongolia" seems to be the reverse of the truth. As for his million Mongols "in the part of Inner Mongolia lying north of Suiyuan and Kalgan," referred to both in Mr. Lattimore's book and in the "Year Book," this figure appears quite as fanciful as that for "Manchukuo," whatever be said of the "million more . . . scattered through Chinese Turkistan, the Kokonor province of Tibet, the Buriat Republic of Siberia, and . . . on the lower Volga in Russia"—which does not forcefully suggest the possibility of a "united Mongol nation," or that the Mongols, as asserted in the "Year Book," have "become potentially a nation and . . . an active force in the destiny of the Far East."

It is entertaining to note, however, that Japanese officials in Tokyo, for publicity purposes, prefer the figures given in Lattimore's book and the "Anti-China Year Book," instead of those compiled by their own census-takers. Tokyo officials on July 24 called attention, through *Rengo*, to the "fact" that 5,000,000 Mongols "reside in the Far East," their distribution being: "Outer Mongolia 770,000; Inner Mongolia, including Chahar and Suiyuan provinces of China, 1,240,000; Manchukuo 2,000,000; Sinkiang and Buriat Mongol Republic, the latter a part of the U.S.S.R., 1,000,000." The source of their fantastic figures regarding Manchukuo and Inner Mongolia is clear, and the motive is obvious. The census-takers are quietly ignored. (It is not known what the latter's fate will be. Perhaps Mr. Lattimore could take over their job: his work is clearly far more satisfactory to the higher powers in Tokyo.)

In sober fact, there appear to be no considerable number of Mongols anywhere today, excepting the million or two under Soviet influence. The next largest number is in western Manchuria, where however they total less than half a million all told, and are already outnumbered by the Chinese population of "Hsingan." The number in Autonomous Inner Mongolia, under Chinese sovereignty, is less than half that in Manchuria. There is no reason to think that the half-million Mongols in Japanese-occupied Manchuria, themselves out-numbered by the Chinese even in the "Mongol Province," can be a basis for a general revival of "the old Manchu-Mongol alliance." That their present postion, privileged only in that some Mongol princes serve as Japan's puppets over subject Chinese as well as Mongols, constitutes a "standing invitation" to the more numerous Mongols elsewhere to join in such a "revival," is a palpable absurdity.

Does Japan Want Rapprochement With China?

(Chinese Republic, August 10)

INTEREST HAS been aroused in China by a caucus of the leading members of the Seiyukai, Japan's major political party, which adopted among its platforms the encouragement of Sino-Japanese rapprochement. It will be recalled that for the last few years the Seiyukai had advocated a strong "positive" policy against China as a means of exercising a predominant influence to the exclusion of other Powers. The famous Tanaka memorial, which bears the name of the eastwhile leader of the Seiyukai, provides convincing evidence of the real attitude of Japan's major party for the last few years. It will be further recalled that it was the Seiyukai Government that created the Tsinan incident and tried to declare a protectorate over Manchuria in 1928 when the Nationalist forces defeated Chang Tso-lin.

The Seiyukai's sudden switch of policy toward China may be traced to internal political conditions in Japan. The tirade of Mr. Chuji Machida, leader of the Minseito, against a possible dictatorship in Japan indicates that the Seiyukai is faced with a similar problem. The assassinations of Premier Inukai and Baron Dan shows the undercurrent that is going on in the land of chrysanthemums. Furthermore, the army's control of the South Manchuria Railway is another indication of the struggle for a dictatorship. Added to this is Matsuoka's declaration that all political parties in Japan should go.

Very often one political party adopts a different platform from another just for the sake of showing opposition and appealing to the voters. And it may be just good politics for the Seiyukai to advocate Sino-Japanese rapprochement at this juncture when the militarists continue to press for a more "positive" policy.

Whatever may be said, it is apparent that the younger elements within the Japanese army are not in favor of conciliation based on respect for China's sovereign rights. The Japanese Army is not satisfied with extension of its influence in Hopei and Chahar and are attempting to penetrate into Mongolia, but met with rebuff, greatly to their chagrin. The only concession which the Kwantung Army was able to secure was a promise to form a commission to settle questions relating to the border.

However, in spite of the fact that anti-Japanese Chinese officials have been eliminated from North China and pro-Japanese ones installed, the Japanese militarists are still dissatisfied, for in a conference with Mr. Wang Keh-min, Acting Chairman of the Peiping Political Readjustment Commission, Colonel Sakai, chief of staff of the Japanese forces on Tientsin, bluntly said "that nothing could be achieved unless the administration of the five provinces in North China was completely reorganized." It would be a mistake to suppose that this interference in the internal administration of China will settle the Sino-Japanese question.

A Sino-Japanese rapprochement should be based on respect for each other's political, territorial and administrative sovereignty, and the pre-requisite of any rapprochement should logically be the unconditional return of Manchuria and Jehol to China and the dissolution of the demilitarized zones in Hopei and Shanghai. In return for the relinquishment of the Four Northeastern provinces an arrangement could be arrived at between China and Japan for settling Sino-Japanese economic issues direct on a basis of complete equality and mutual cooperation. It will be realized that, unless Manchuria is handed back to its rightful owner, an everpresent source of conflict threatens the peace of Asia. The principle of respecting the Nine Power Treaty by restoring China's jurisdiction over Manchuria and Jehol and the withdrawal of all Japanese troops to within the railway zone should be the only basis of a Sino-Japanese rapprochement—failing which China will be obliged at some time or another to recover her lost territory by armed force.

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Wang Ching-wei's Repcrted Resignation and Possible Political Changes

BY PAUL K. WHANG (汪仲方)

CHINA'S political machine has virtually come to a standstill in these few weeks. Hot weather, military duties and sickness must be blamed for making the Nanking Government leaderless at the present moment. Lin Sen, Chairman of the National Government, is now summering at Kuling, Kiangsi, and, besides, is being too much obsessed with his son's matrimonial entanglement to turn his thoughts to politics. Gen. Chiang Kai-shek, Chairman of Military Affairs Commission, is in Szechuen, busily engaged in communist-suppression campaigns and in rehabilitating and reconstructing the western provinces. Wang Ching-wei, President of the Executive Yuan and concurrently Minister of Foreign Affairs, is now lying on his sick-bed in Tsingtao, and his sickness, be it real or political, is said to require some six weeks for recuperation.

We do not care for Chairman Lin's absence from Nanking, because his office, being more or less an honorary one, is not invested with executive powers. Nor are we concerned about the long absence of Gen. Chiang, for we believe that political affairs should be left exclusively in the hands of civilian officers. What perturbs us is the present abrupt sickness of Mr. Wang. Since the Spring of 1932, the Nanking Government has been under his direction, and his office is practically the same as that of premier in many parliamentary governments. The fact that he has also held the portfolio of the Ministary of Foreign Affairs has lent further significance to his official position, the more so, at this time of strained Sino-Japanese relations. Because of the importance of his position in the Nanking Government, his alleged sickness and reported resignation can not but be looked upon with speculation and wonder.

Some Past History

Mr. Wang, as a Kuomintang leader, has a very long revolutionary career which is equalled by only a very few. He and Hu Han-min have been both considered as the two outstanding followers of Dr. Sun Yat-sen, although their political and personal differences have always kept them at loggerheads and prevented them from serving the country at the same time since the establishment of the National Government in 1927. Mr. Wang has proved himself not only a prolific writer but also an eloquent speaker; and prior to his ascendancy to the present power, his frequent writings and speeches in criticizing the policy of the Nanking Government had been eagerly read and listened to by students and workers, who had looked upon him as their ideal leader. On many occasions, he even threw in his lot with political reactionaries in leading abortive separatist movements in opposition to the Nanking regime.

The Japanese invasion of Manchuria incidentally brought about the reconciliation between Mr. Wang and Gen. Chiang, thereby paving the way for the elevation of the former to the presidency of the Executive Yuan following upon the fiasco of a very brief Cantonese regime by the end of 1931. In assuming this very important post at the time of acute national crisis, he was highly praised for his courage and self-sacrifice, and hailed as a savior of the country. Consequently great hopes were expected of him in formulating a definite and strong policy to cope with Japanese aggressions. At one time, he won great public favor by his strong criticisms of the policy of non-resistance pursued by Gen. Chang Hsueh-liang, and even went to the extent of resigning so as to force the Young Marshal to resign also. After a brief trip in Europe, he came back to his post at the very time when the Young Marshal prepared himself for his foreign trip after the Jehol debacle.

Since then, Mr. Wang has seemed no longer to be his former self. Although concurrently holding the post of Foreign Minister after the resignation of Dr. Lo Wen-kan, he has not been able to formulate a definite policy to deal with the Japanese. He has lost his habitual eloquence and forcible style in his writings. In short, he has lost all these characteristics which have contributed to making him a well-known revolutionary leader. On the other hand, he has contentedly drunk cup after cup of bitter wine served by the Japanese bloody hands, culminating in the recent North China episode. As a result, he has been met with opposition on all sides. The average man has criticized his weak-kneed policy toward Japan; the Party members have denounced his acquiescence in Japan's demand in closing down the Tangpus in Hopei and Chahar; and his military colleagues have been vociferous in their attacks against his timidity. In this circumstance, he can not hold to his posts with ease and equanimity, and has to find a convenienet exit to escape from his difficulties.

We, of course, are not justified in holding Mr. Wang responsible for all of our present national woes. As a weak country can not have a strong foreign policy, so it is preposterous that we should expect impossible things from him. Possibly any other one in his position and faced with similar circumstances will do the same as he did. What, therefore, disappoints his people is the fact that since he had long been looked upon as an oracle of the Party and an outstanding revolutionary leader, he was expected to do better than the average man. It has been a matter of great surprise to his people that under his leadership, the government should initiate and pursue a policy of abject surrender—a policy which is even more ignorminious than that of non-resistance which he himself had so eloquently denounced not long ago. Our people have now lost their confidence in his ability to lead the country out of the present quagmires and come to believe that the longer he holds on to his political posts, the more he will lose of his revolutionary spirit and the weaker will be China's policy toward Japan.

Speaking impartially, Mr. Wang's administration for the past three years is indeed a great disappointment even to his enthusiastic supporters. He may be a great revolutionary leader; but as a statesman, his political experience is both raw and immature. His readiness to divide the political spoils among his close followers without a "scrutiny of qualifications" right after his assumption of office and his over-confidence in his political ability have alienated the support of many good men, who would otherwise be his valuable assistants. His attempt to befriend the Japanese civil officials as a means to check the aggressive policy of the Japanese militarists has not only incurred the wrath of the Japanese Army, but has also aroused the suspicion of American and European countries. Without the assistance of experienced hands, he has to carry on the work all by himself; but both his health and experience are not equal to the task. After three years' trial, he has to admit his defeat and is now ready to vacate his posts in favor of some better men.

Public Becomes Restless Because of Prolonged Critical Situation

In the meantime, the people as a whole have become restless in face of the prolonged critical situation, and are looking for a new leader to save their country. It is the general belief that some major changes must be effected in the present political make-up so as to reorient China's foreign policy and inspire new hopes in the people. In this connection, it is interesting to note the current report that Hu Han-min, who is now in Europe for the alleged purpose of recovering his poor health, will return to Nanking to take a high government post. It has been further reported that in order to acquaint himself with the trend of international politics, he has now consulted with Dr. Wang Chung-hui, judge of the World Court, and many other Chinese diplomatic representatives, on the international situation.

Whether Mr. Hu will ever come back to Nanking and whether any government post has been offered to him are matters of wide speculation. But it seems to be a strange coincidence that this report should be current at the time when the present President of the Executive Yuan is said to have resigned his offices. In view of Mr. Hu's past stubbornness and irreconciliability, we can not help doubting if he is now ready to forget his personal grievances and come back to Nanking to take a high government post. But unbelievable things have happened in China's political history in the past, and so it is quite possible that Mr. Hu and Gen. Chiang should resume their former friendly relations and form a new political partneship in navigating China's ship of state out of the present stormy seas.

The recent appointment by the Nanking Government of Li Shao-sen, a member of the Southwest Political Council and a close associate of Mr. Hu, to the post of Vice-Minister of Personnel of the Examination Yuan has been interpreted as the initial step leading to the return of Mr. Hu to Nanking's fold. It is generally expected that some major political changes in the present government will be effected after the convocation of the Sixth Plenary Session of the Central Executive Committee of Kuomintang in September. Having been surfeited with humiliations and surrenders, the people are welcoming some major political changes, by which, they hope, new political vistas may be opened up out of the present deadlocked situation.

Shanghai, Aug. 14, 1935.

Yellow River Floods Cause Huge Property Damage

The Provincial Famine Relief Association announced last week that the total loss, in Sinyeh Hsien, in South Honan, due to the heavy flood, amounted to $20,000,000. More than seven-tenths of the area of the district is now under water. About 500,200 mow of land were destroyed, 110,798 houses collapsed, and 176 people lost their lives.

In Yensheh Hsien in West Honan, 6,200 people lost their lives, 70,000 people were rendered homeless, and the total loss may be over $1,000.000. In the district, there are 1364 families, of which 157 families entirely disappeared. About 12,000 people escaped from the city, and over 200 were found dead.

The Honan Flood Relief Association telegraphed the Central Government to allot $6,000,000 to feed the famine sufferers, as more than 30 hsiens or districts in the province have been innundated.

For the second time in two months, Fancheng, on the Han River, in northern Hupeh, was inundated, owing to the sharp rise of the river at its upper reaches. As the Nan and Pei River are also overflowing, the neighboring city of Kucheng is also in imminent danger.

Over 160 villages in Chenhsien, southern Hopei, were flooded in consequence of the breach f a large portion of the river dykes at the junction of the southern section of the Grand Canal and the Kien River.

Owing to the arrival of the swollen waters of the Yellow River from its upper reaches in Honan and Shensi, over 2,200 feet, of the river dykes at Chuancheng, southwestern Shantung, broke down Aug. 9.

Travellers returning from Shansi this week reported serious floods in that province, recent heavy rains having completely disorganized traffic over onsiderable areas. Rivers were turned into ra ing torrents in a few hours, sweeping away bridges, turning roads into immpassable morasses and inundating large areas of low-lying country. Motor bus services in all parts of the province were brought to a complete standstill, the means of getting about being rickshas and even they were useless on some of the roads because of the destruction of bridges over the bigger rivers. Travellers using rickshas are being compelled to make wide detours, crossing the less turbulent rivers in flat-bottomed boats which are swept far down the stream by the torrent of water before they can make the opposite shore.

General Liang Kuan-ying, commandant of the 25th army, and General Han Fu-chu, chairman of Shantung, have contributed $1000 and $3000 respectively to relieve the people in the flooded regions in the province. General Liu Chen-hua, chairman of Anhuei, contributed $10,000, and General Chang Fang, commandant of the 20th Army, contributed $5,000 for the same purpose. At the same time, the Provincial Famine Relief Assoication, has requested the missionary men in the province to help the relief movement.

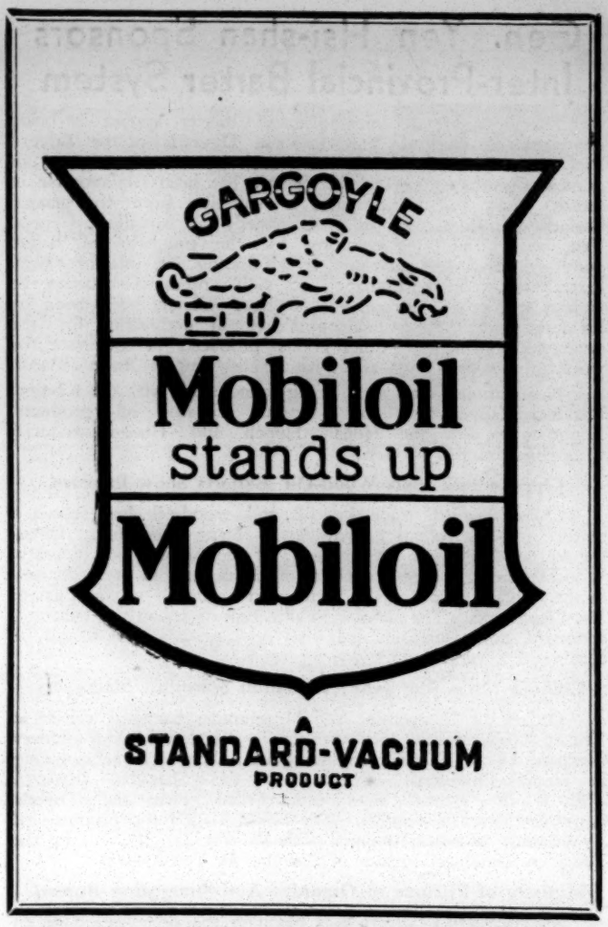
A general indictment of the slackening of human efforts in tackling the onslaughts of nature, which in his opinion has caused the almost annual flood disaster in China, was contained in a circular order issued to the nation by General Chiang Kai-shek, from Chengtu, Aug. 12.

188 Drown in Formosa Typhoon

Some 188 persons were reported drowned in the sinking o 49 fishing vessels as the result of a typhoon which ravaged Formosa Aug. 8.

Japanese Residents in Shanghai Seek More School Funds

Preparations to initiate a campaign designed to secure a larger subsidy for Japanese schools from the Shanghai Municipal Council are under way by the Foreign Relations Committee of the Japanese Residents' Committee of the Japanese Residents' Corporation. According to the *Shanghai Mainichi*, the direct operation of schools by the Shanghai Municipal Council is regarded by the officials of the Corporation as an "anachronism" and should be discontinued. The present policy of the S.M.C., the newspaper alleges, runs counter to the spirit underlying the establishment of the Shanghai International Settlement, which provides for a just and equitable allotment of funds without discrimination. Under the present system the Council spends more than $800,000 a yearly on less than 1,600 foreign children, of about $500 per child. The Council's expenditure on Chinese children, who number less than 6,000, is $1,000,000 or $70 per head, the journal added. To educate 4,000 Japanese children, the Residents' Corporation spends $570,000, which brings the per capita expenditure to $120. This is regarded by the Japanese as insufficient properly to operate the various schools despite the annual grant of $128,000 received from the Council.



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M. T. Mag 8-35

Gen. Yen Hsi-shan Sponsors Inter-Provincial Barter System

Adoption of an inter-provincial barter system is being sponsored by General Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters, in order to promote the wider use of domestic products. Trade in Shansi has been unfavorable in recent years, and the province is suffering from the general business depression. In order to remedy the situation, General Yen, besides adopting coupons for the purchase of native goods within Shansi province, is advocating the inter-provincial barter system by the exchange of native products between the various provinces. Arrangements have already been made by his deputy with the Chekiang Provincial authorities for the exchange of silk and other goods produced in Chekiang for wool, sheepskin, rugs and handmade articles from Shansi.

Negotiations are also being conducted with the Kiangsu Provincial Government for a mutual exchange of products. Negotiations with the Honan, Hupeh and Hunan provincial authorities are also in view.

Chinese Silk and Wood-Oil Exports Show Increase

China's export trade in silk and wood-oil has shown a marked increase recently, according to Liang Shang-tung, Director of the Commerce Department of the Ministry of Industry. Wood-oil, being a special product of China, and in great demand in the world's markets, the increase in export is not surprising, Mr. Liang said. The increase in silk exports is, on the contrary, abnormal, and therefore does not give promise that it will be consistently maintained.

Chinese Mills Buy Japanese Cotton Spinning Machinery

Orders for 15 combing and 11 spinning machines, valued at Yen 80,000, have been filed with the Toyoda Automatic Machinery Company by the Ta Hsing Spinning Co., Ltd., of Shihchiaohuang in Hopei Province, according to the Shanghai *Mainichi*. This is the second large order filed with the Toyoda Company by Chinese mills. The first included the purchase of 30 spinning machines equipped with about 13,000 spindles by the Tungwen Spinning Company of Shanghai for Yen 200,000.

Ministry of Finance to Organize Anti-Smuggling Bureau

The Ministry of Finance is planning the organization of an Anti-Smuggling Bureau. Detailed measures are being jointly formulated by the Customs Administration, the Salt Administration and the Internal Revenue Administration. The order is to be operative in the provinces of Kiangsu, Chekiang, Anhwei, Kiangsi, Hunan, Hupeh, Shantung, Honan, Fukien, Shensi, Kansu and Szechuen.

Central Bank of China Inaugurates Trust Department

The Trust Department of the Central Bank of China was formally inaugurated August 15, it is learnt at the Ministry of Finance. Besides handling compulsory savings of public functionaries, the Trust Department is also taking over the Epargne Franco-Chinoise, and probably the Savings Department of the National Industrial Bank.

Ningpo Magistrate Negotiates Loan with Shanghai Banks

Negotiations between Chang Pao-lin, magistrate of Ningpo, and Shanghai banking leaders for a loan amounting to $5,000,000 for the purpose of relieving the depressed business conditions in Ningpo are reported to have been satisfactorily completed. Mr. Cheng came to Shanghai a few days ago to confer with bankers concerning immediate measures for remedying the extremely stagnant economic situation in Ningpo, which is exemplified by the fact that no less that 26 native banks in that city had suspended their business during the past few weeks.

Through Trip to Canton By Motor-Car

A journey from Shanghai to Canton has just been made in a Ford by Nee Ta-hsing, a Shanghai resident, together with a friend. He completed the entire journey in 120 hours, trasversing some 1,779 miles. The route from Shanghai followed along the Shanghai-Hangchow highway, then to Yusan, on the Chekiang-Fukien border. From Yusan he proceeded to Nanchang, then to Changsha, Hengshan, and Kanchow in Kiangsi. From Kanchow he proceeded to Tayu and Nanhsiung from where he motored to Shaokuan and Swatow. From Swatow he traveled direct to Canton.

The section of the Shanghai-Canton road from Shanghai to Shaokuan was constructed under the direction of the National Economic Council, through the provincial and regional government authorities. The Shaokuan-Canton sections of the highway were completed under the supervision of ths Highway Construction Bureau of the Kwangtung provincial government. Mr. Nee said the highways in Hunan province are the best he has so far seen.

Value of Through Transportation Is Stressed at National Railways Exhibition

The closing ceremony for the fourth National Railway Products Exhibition was held in Tsingtao, Aug. 11. The function was attended by Messrs. Tseng Chung-ming, Vice-Minister of Railway, Yu Yen, Director of the Business Department of the Ministry, Ko Kwang-ting, Chairman of the Administrative Committee of the Kiaochow-Tsiann Railway, and Admiral Shen Hung-lieh, Mayor of Tsingtao.

Vice-Minister Tseng presided, and a report on the results of the present Exhibition was made by Yu Yen.

The meeting closed with an address by Mayor Shen, who emphasized the value of the through transportation service operated by the Ministry of Railways.

Prospects of Trade With South Africa Discussed by Envoy Liang Wu-kao

Liang Yu-kao, special envoy of the Ministry of Foreign Affairs, returned to Shanghai Aug. 10, after a trip of four months, during which he inspected the Chinese Consulates and inquired into conditions among the Chinese community in South Africa. Mr. Liang visited the leading centers of South Africa and Islands off the coast, where Chinese residents are congregated. Most of these overseas residents are Cantonese, Mr. Liang said in an interview. They are engaged largely in merchandising, as well as carpentry, agriculture, and other legitimate pursuits. Financially, those in the Union of British South Africa are better off than in other parts of Africa.

However, Mr. Liang continued, a policy of discrimination against Asiatics and the colored races, including Chinese, is adopted and enforced by the Government of the Union of South Africa. Nowhere else in the world, he added, are Chinese and other colored peoples more discriminated against than in South Africa.

Privileges such as immigration, domicile, trade, travel, and recreation, which are enjoyed by the White people, are denied the Chinese, who are on every possible occasion reminded of their "inferiority" in consequence of their color. Conditions are specially acute in Johannesburg, the centre of the gold-mining district, and Pretoria, the capital of the Union of South Africa, Mr. Liang continued.

Mr. Liang spent 70 days inspecting the chief places in Africa. Whereas he originally planned to visit Bombay and Calcutta as well as other leading business centres of India, he had however to return immediately, in pursuance of orders from the Central authorities, in order to assist in the investigations of the Sino-British Joint Commission for the demarcation of the Yunnan-Burma boundary.

Mr. Liang declared that China has a fairly good chance of developing and expanding her market in South Africa. Such products as tea, lace, embroidery, silk, jewelry, porcelain and rugs—some of which are already being exported to Africa by Chinese merchants with success—are in great demand. The Chinese, he said, may also profitably undertake the importation to China of certain categories of South African products, such as brandy, port wine, raisins, tobacco, wool, fish and fruits. Incidentally, this would also be a means of promoting friendly Sino-African relations.

Kuling's Transfer Completed—British Leased Land Passes to Chinese Government

It was announced from Nanchang, Aug. 10, that after protracted negotiations, the agreement for the taking-over of British leased land at Kuling, was signed by Chiang Chih-cheng, Director of the Administrative Bureau of Kuling, and the British Consul. *Kuo Min* says the agreement provides that the deeds for land leased by British residents in 1905, and thereafter, be handed over to the Chinese authorities. The public enterprises within the original leased area are to be handed over to the control and management of the Chinese Government. An advisory committee will be organized by the British residents at Kuling to render advice to the Chinese authorities, with whom the final decision rests.

Japan Will Sit on League Opium Committee

The Japanese Consul-General in Geneva, Aug. 9, announced that Japan would accept the invitation of the Council of the League of Nations to sit on the Opium and Child Welfare committees as long as this was not regarded as a precedent.

Hankow Druggist Executed for Dealing in Narcotics

Found guilty of trafficking in narcotics, Cheng Wan-hsing, proprietor of the Liang Tsi dispensary was executed in Hankow Aug. 8 by the Garrison Headquarters for the Wu-Han Area. The sentence was carried out after approval by the provisional headquarters of the president of the Military Affairs Commission.

How Sir Samuel Hoare Slides Over the Thin Political Ice

LONDON—Sir Samuel Hoare is used to skating on thin ice. Our new Foreign Secretary is never happier than when he is wearing black silk tights, and executing fancy figures on the rink of Grosvenor House. To paraphrase a popular song, Sir Samuel "skims o'er the ice with the greatest of ease". Sometimes the floor of the House of Commons is as treacherous and slippery as any ice rink. Sir Samuel Hoare had to stand up and literally skate backwards. The foreign policy of the new National Government had been taken up a blind alley, and the Foreign Secretary had to back out. Very gracefully, shrewdly and cleverly he did it, too. It was an exhibition of skill by a virtuoso. Plump Mr. Baldwin should be very grateful to Sir Samuel Hoare who, in so short a time, has shown himself to be by far the cleverest and most adroit member of the Government.

When the Foreign Secretary stood up to speak on the Government's Foreign policy, the whole House was excited to see how Sir Samuel would be able to slide over the thinnest of ice. The Prince of Wales had made an extremely pro-German utterance, and when under a hot fire from the Opposition benches, Sir Samuel had stated that he neither approved nor disapproved of the Prince's speech. In many quarters this statement was regarded as criticism of a man who is but seldom criticized in public.

The question last week was: how to stand up for the Anglo-German Naval Pact without annoying France too much. Sir Samuel managed to do this. The Foreign Secretary was also able to placate Italy over the Abyssinian question, and to cover up the *gaffe* Anthony Eden made in Rome a few weeks ago. But it was when dealing with the Far East that Sir Samuel made his very best effort.

It is quite obvious that Great Britain is now angling for the co-operation of Washington. It would be impossible to overstress the importance of the fact that directly after Sir Samuel Hoare expressed the Cabinet's dislike of Japanese agression in North China, he switched over to the United States and said that the British Government would welcome suggestions from Washington for a joint policy to preserve peace.

Lord Beaverbrook's *Daily Express* has been hollering for weeks for Great Britain and the United States to get together, but nobody pays the slightest attention to the foreign policy of the *Daily Express*. Lord Rothermere's *Daily Mail* gave a whole column to a leading article on Sir Samuel Hoare's speech, and said that if Italy was allowed a free hand in Abyssinia, she would create another Manchukuo out of it. This was intended for praise, but the *Daily Mail* has no sense of humor!

HARRY J. GREENWALL.

Alfred Sze Speaks at Luncheon Given in New York to Cameron Forbes

The following are extracts from a speech made by Sao-ke Alfred Sze, at the luncheon of the National Foreign Trade Council of New York, July 16, in honor of Governor Cameron Forbes on his return from a trade mission to China.

With regard to foreign trade, the Chinese Government and the Chinese people appreciate the mutual benefits that arise from a free and equal exchange of goods between different countries. China has long seen both the justice and the utility of dealing with other countries, in matters of commercial and financial relations, upon a basis of equality, and thus has given her full adherence to the principle that has come to be known as the Open Door doctrine—a doctrine to which the nine nations participating in th Washington Conference, in a formal treaty, have pledged themselves. Integrally connected with that doctrine has been the maintenance of the territorial sovereignty and administrative integrity of China, for it has been recognized since the time when the Open Door doctrine was first stated in definite form that, to the extent that any other country obtains dominant political control or influence over portions of China's territory there will be a likelihood that this doctrine of equal opportunity for other countries in matters of trade and finance within, and relating to, those areas will not find full and effective application. It is a matter of great gratification to the Chinese people that the expansion of American trade with themselves has been steady and continuous, and it must be a gratification to the American people that their trade has for several years occupied the first place in China's foreign trade. Important as China's foreign trade now in is the foreign trade of the world, it is recognized by all that the future potentialities of that trade promise still greater importance to it. It is appreciated that every advance in the standard of living and in the buying power of China's four hundreds of millions of people, will mean a great increase in China's demand for foreign goods. Furthermore, it is now clearly seen that a considerable industrialization of China is sure to take place in the near future. This will mean a large demand of foreign machinery and other heavy products, as well as an opportunity for the employment of foreign capital in China.

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BABY'S OWN TABLETS.

British Give Up Hope of Peace in Africa

London advices state that Great Britain has almost abandoned all hope of a peaceful settlement of the Italo-Ethiopia dispute in Africa. As a consequence, preparations are under way to safeguard British interests in Northeast Africa in the event of war. The Cabinet is reported to be preparing to strengthen military patrols along the Somaliland-Kenya trontiers. Also, the dispatching of 8,000 Sikh troops to Sudan near Lake Tsana, which is the heart of Egypt's irrigation project, is believed likely to be the next British move of protection. If the August 16 Franco-Anglo-Italn conference should fail Great Britain may lift its arms embargo and may revoke the permission granted Italy to fly airplanes across Egypt. This, it was pointed out, would seriously hamper Italy's aerial transport to Ethiopia.

Italian Deserters Flee to Switzerland

Notwithst nding the denial from Rome that desertions from the Italian Army have occurred, it is believed that a considerable number of deserters has filtered into Ticino, an Italian-speaking canton, in Surtzestao. Italian frontier guards are maintaining a vigilant watch to check escapes to Switzerland and, consequeutly, the deserters are forced to cross the border in wild, desolate parts of the mountains. Once they get into Ticino, which lies on the Italian slopes of the Alps and, in the sout h, merges into the Lombard plain, they have no great difficulty in concealing themselves. First of all, inhabitants ef the canton speak the same lanquage and many of them sympathize with the deserters.

Portuguese Deny Report of Sale of African Colonies

A vigorous denial was published in Paris, Aug. 11, by the Portuguese Legation of the rumor that Portugal would exchange her colonies in Africa for compensation from Italy and Germany, such a projeet having been recently reported in a despatch from London to the *Echo de Paris*.

Abyssinia Will Send Special Commissioner to Japan

The Abyssinian Government is despatching Daba Berrou, a prominent Ethiopian, on a special mission to Japan. It is understood that Mr. Berrou will try to negotiate the purchase of large quantities of rifles and ammunition while in Japan, and will attempt to obtain credit for at least 50 per cent of the order.

The *Tokyh Chugai Shogyo* says that the Foreign Office of Ethiopia, considering the specially friendly relations existing between Japan and Ethiopia, has decided to dispatch an emissary to Japan. The mission is scheduled to leave Addis Ababa in the near future for Japan.

The *Tokyo Asahi* August 9 stated that while the Italo-Ethiopian dispute is in full swing, Japan is making preparations to establish her legation in Ethiopia for the first time in January. The legation, when set up, is expected to engage in first-line activities for strengthening of friendship between Japan and Ethiopia. The Foreign Office has for some time been considering candidates for the first charge d'affairs to be stationed in Ethiopia. At present Toshiharu Harima, first secretary of the Japanese Embassy at Rome, is considered the strongest candidate for the post.

U. S. Bank Will Refuse Italy Credit for Cotton Purchases

The U. S. Export and Import Bank will refuse credit to Italy for the purchase of cotton. Cotton exporters are reported to have received a request for a year's credit and to have referred the application to the Export and Import Bank. Later, the credit period was reduced to six months, but, even so, it is stated that the bank intends to reject the application. Officials of the bank deny that the possible use of the cotton as war material has influenced their decision, explaining that the proposal was not accepted owing to the "unsettled conditions in Italy." They assert that in view of Italy's preparations for war, it is considered inadvisable for American firms to extend six months credit, as they might not be able to collect from Italian spinners within that period.

Huge Sum Owing Tyne Manufacturers by Italy

It was reported from London, Aug. 13, that Italy's indebtedness to the Tyne basin, where coal is mined, amounts to £500,000, a sum which is owing to a dozen British firms. At present, exporters are unwilling to grant Italy additional credits.

Paris Negotiations May Be Based on 1925 Notes

On the eve of the arrival of Anthony Eden in Paris to represent Great Britain in the three-Power talk on Abyssinia, the Paris edition of the New York *Herald* Aug. 12 published details of an alleged secret agreement between Britain and Italy Under this agreement, it is stated, Britain promises to recognize exclusive Italian economic influence over southwestern Abyssinia and to support the Italian plan to build a railway linking Eritrea with Italian Somaliland in return for Italian support of Britain's special inierests in Lake Tsana.

While *Reuter* learns that no such treaty exists, the British and Italian Governments in 1925 exchanged Notes suggesting an agreement on the lines mentioned, and the possibility remains that this tentative agreement between the two countries may be advanced in the course of the Paris negotiations.

French Naval Munition Workers Riot Because of Wage Cuts

Serious rioting occurred Aug. 8 at Toulon and Brest, France, where workers demonstrating against the 10 per cent. wage cuts decreed by the Government, defied the efforts of the police to disperse them. The situation was especially grave at Toulon, where three persons are reported to have been killed and 50 others wounded in the course of a joint demonstration by dockers and naval munition workers.

English Methodist Bishop Denounces Arms Trade

The private manufacture of, and traffic in, arms was denounced by the Rev. William C. Jackson, in his presidential address to the Methodist Conferrence in Bristol July 21. He described it as "an atrocity as bad as, or worse than, the slave trade, as damnable to soul and body as purveying fiendish drugs, and little better, if at all, than that infamy, the trade in women for the purpose of vice".

New U. S. Regulations to Protect Army Secrets

The U. S. War Department Aug. 6 issued revised regulations designed to prevent the leakage of information concerning new methods and machines of war. The regulations authorize the chiefs of air corps, ordnance and other branches to designate any secret research work, designs, tests or production of military equipment as "restricted projects," details of which may not be made public or transferred to any unauthorized persons under penalty of heavy fine or imprisonment.

The first application of the new regulations is to be made to a test of the "mystery" ray developed by the Army Signal Corps, at Highland, New Jersey. This ray is reportedly capable of detecting enemy vessels more than 50 miles off the coast. The regulations also will be applied to photographing the new Martin-Douglas army bombers.

Joseph Walden (Mr. "X.") Indicted for Espionage

Investigations having been completed, the Procurator of the Hupeh High Court, Shih Cheng-hsiang, has started legal proceedings in the Criminal Division against Joseph Walden (Mr. "X"), the foreigner who was arrested May 5 by the Shanghai Municipal Police on suspicion of being concerned in Communist activities, and six Chinese alleged to be his accomplices. No date has been fixed for the opening of the trial, but the Procurator has filed a lengthy petition, giving details regarding the alleged offences in China of the mysterious foreigner and his accomplices.

According to the Procurator's petition, the evidence includes a letter in German addressed by Walden to Liu Sui-yuan, instructing the latter to do espionage work in Szechuen and Sinkiang Provinces. The petition says Walden is well versed in English, German, French and Russian, and Liu Sui-yuan is a German returned student. Walden used the signature "Law-Ren-tse" in all his letters to Liu Sui-yuan and all his correspondence was carried by Loh Hai-pong, who also was arrested in Shanghai. Walden, when arrested, was in possession of accounts in English, which he had received from Loh Hai-pong, according to the indictment. The accounts were prepared by Loh Hai-pong and gave details about incomes and expenses from April to May 2 this year. Walden also was found in possession of an English letter which contained reports about the bandit-suppression campaign in Kweichow, Szechuen, west Hunan, and west Hupeh. Another letter, in Russian, contained military and political espionage details.

Further documentary evidence against Walden is a letter addressed by him to a woman named Huang Wei-yu, propagating Communist doctrines. The petition in conclusion charges the mysterious foreigner with military and political espionage in violation of Art. 5 of the emergency law governing the punishment of persons who commit offences against the internal security of the state.

A few days ago, his attorney, Paul Premet, proceeded to Wuchang by airplane to prepare his client's defence.

According to Chinese versions of the indictment, the conviction of Walden is sought under Article 1 of the Emergency Law relating to acts which imperil the security of the Republic of China, but he is also charged with the violation of Section 2 of Article 13 of the new Chinese Criminal Code. The penalty prescribed for offences against the Emergency Law is death or imprisonment for life.

Six Chinese, alleged to be Walden's confederates in espionage, are to face trial together with Walden. They are:

1.—Miss Huang Wei-yu, 23, native of Hunan, postgraduate student of the Chiaotung University, with her home at 16 Weihai Road, Nanking.

2.—Loh Hai-pong, alias Wu Sheng-ju, 29, native of Hunan, graduate of the Peiping Normal College, who lived in a house on Avenue du Roi Albert in the French Concession at Shanghai.

3.—Wang Mo-ching, alias Wong Han-min, 22, native of Shantung, graduate of the Kufou Normal School, whose home was at 925 Avenue Joffre, Shanghai.

4.—Hu Kie-lin, 24, native of Szechwan, student, living on Sinza Road.

5.—Chen Wen-chieh, 23, native of Kiangsu and graduate of the Chen Lieh Physical Culture School, whose home is in Soochow.

6.—Yu Sui-yuen, 36, native of Chekiang and graduate of the Hangchow Christian College, living in Haining.

Who in Who's China

Chow Yung-nung, Government official; born at Poyang District, Kiangsi, 1895; received his early education at the Kiangsi Military Institute and later at the National Peking University, Peiping; pursued advanced study on municipal government in the University of Chicago; while in the United States, he served as chief representative of the Kuomintang Party stationed there and in Cuba; served as secretary to Dr. Sun Yat-sen after returning to China and later as Commander of the First Brigade in the Generalissimo's Headquarters at Canton; Commander of Kiangsi Defense Army; secretary and concurrently chief, Secretariat Division, Commander-in-Chief's Headquarters during the 1926 Northern Punitive Expedition; Superintendent of Customs at Kiukiang and concurrently Special Commissioner of Foreign Affairs of Kiangsi, taking charge of the affairs in connection with the retrocession of the former British Concession at Kiukiang; later was successively appointed member of the Kiangsi Provincial Government and concurrently Commissioner of Finance; Director of the Bureau of Finance of the Special Municipal Government of Nanking; member of the Anhwei Provincial Government and concurrently Commissioner of Finance; Secretary-General of the City Government of Greater Shanghai; now Director of the Department of Research and Investigation of the Peiping Political Council under the Executive Yuan; author of several books on local government; address: c/o Peiping Political Council, Peiping.

周雍能

Chow Yung-nung

周雍能，江西鄱陽人，四十歲，江西陸軍講武堂步科，前北京匯文大學文科，美國芝加谷大學市政選科，中國國民黨特派駐古巴及美國總幹事，孫總理秘書，廣州大本營第一旅旅長，贛軍警備司令，國民革命軍總司令部秘書兼文書主任，九江關監督兼江西交涉員主辦收回九江租界事件，江西省政府委員兼財政廳長，南京特別市政府財政局長，安徽省政府委員兼財政廳長，上海特別市政府秘書長，現任行政院駐平政務整理委員會調查處主任，著有地方行政等名著。

Hongkong Resents Shanghai Suggestions Regarding Governorships

Both the *South China Morning Post* and the *Hongkong Telegraph*, in editorial articles August 3 criticized the suggestion advanced by the *North-China Daily News* for the appointment to the now-vacant governorship of Hongkong of a statesman of pre-eminent qualifications who, without diminishing the authority of the British ambassadors at Nanking and Tokyo, would assume the duties of a rapporteur to the British Government on events in the Pacific for the due guidance of British policy.

The *South China Morning Post* commented:—"Hongkong's aloofness is neither myopic nor a performance. It is, perhaps, inadequately realized by Shanghai what it means to the British territory, governed by British laws which conflict in many points with China's laws. Moreover, Hongkong is a naval station and a garrison town, and the psychology both of itself and China is largely influenced thereby. These facts impose an aloofness and detachment which can only be broken down by repainting the map."

The *Hongkong Telegraph* commented:—"Our China contacts are mainly with Canton, and our relations with the latter have never been better than at present. Our alleged myopic aloofness is far less real than the effects of the 'Shanghai mind,' which has not always conduced to the encouragement of amicable Sino-British relations. Under the general issue raised, there is no contingency warranting any departure from Colonial Office control, nor any reason for thinking that such a change is likely indeed. It is assumed that the Colonial Office has already made up its mind as to who shall succeed Sir Wm. Peel, and should contact between the Hongkong Government and the diplomatic service be necessitated by special circumstances the machinery already exists for such exchange of views as may be needed."

In the United States Court for China

In re. Estate of CARL L. SEITZ, Deceased	Cause No. 3911 S. P. No. 1026 NOTICE Filed at Shanghai, China, July 20, 1935. William T. Collins, Clerk L. T. Kenake, Asst. Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of CARL L. SEITZ, deceased, to present the same with vouchers to the undersigned on or before January 20, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

CLAYTON L. SEITZ,
c/o American Asiatic Underwriters.
17 The Bund.

Shanghai, China,
July, 20, 1935.

A Friend In Need!

"A friend in need is a friend indeed!" and this is particularly true when on your holidays you find that change of air and diet has upset internal routine, causing dicontinuance of the "daily habit."

Under such circumstances the friend you need is Pinkettes, the dainty little laxatives which gently stimulate the liver and intestinal tract, thus restoring regularity, banishing biliousness and sick headaches, and enabling you to get the fullest benefit from your vacation.

Chemists everywhere sell Pinkettes, but it is wiser to pack a vial in your bag before starting.

PINKETTES
THE GENTLE LITTLE
LAXATIVE LIVER REGULATORS

Men and Events

The balance sheet of the Chekiang Industrial Bank, Ltd. for the first half of 1935 shows a net profit of $234,305.

Nalcolm Rosholt, of the editorial staff of *The China Press*, departed from Shanghai Aug. 15 for a trip to Suiyuan and Ninghsia.

Cuba has opened a Consulate General at 374 Route Ferguson, Shanghai. R. F. Vidal arrived here recently as Cuba's first Consul General.

George E. Sokolsky, well-known journalist and author, was married on May 30 to Miss Dorothy E. Fiske, at the Central Synagogue, New York, by Rabbi Jonah Wise.

The rank of Chevalier of the Legion of Honor has been bestowed upon M. Charles-Marie Claudon, French Vice-Consul in Shanghai, it was officially announced Aug. 10 from Paris.

Sir Frederick Maze, Inspector General of Customs, departed from Shanghai this week on a tour of North China. He is expected back here in early in September.

Lo Ting-kwan, a professor of the National Central University, has been appointed by the Ministry of Education as China's delegate to the International Educational Conference, which will be held at London shortly.

Gen. Charles E. Kilbourne has been promoted to the rank of Major-General. General Kilbourne, who has been in charge of the coast artillery for the Manila district, saw action in China during the Boxer rebellion.

A Korean inspector of the China General Omnibus Company was shot in the back by an armed robber on Ward Road during the night of Aug. 11. It is believed the victim was mistaken for a foreign police officer.

Headed by Prof. Anderson, an educational party from Columbia University, New York, arrived Nanking this week. An official reception was extended to the visitors by representatives of the Ministry of Education and the Municipal Government.

A sum of $5,000 contributed by the National Government towards the construction of the China Memorial Hall in the University of Pittsburgh, Pennsylvania, was remitted to the United States through the Ministry of Foreign Affairs last week.

Henry Misselwitz, night cable editor in New York for the *United Press*, had been transferred from Belevue Hospital in New York City to his home and physicians expect that he will recover completely from the recent attack on him while he was on his way home from work.

Frank Smothers, correspondent in China for the *Chicago Daily News*, accompanied by Mrs. Smothers and their children, departed this week for Peiping where they will remain for two or three months. Mr. Smothers plans to travel extensively in North China and Manchuria.

The Chinese edition of the Shanghai *Evening Post* Aug. 12 stated that the Japanese Consuls-General Conference which was to have been held in Shanghai has been indefinitely postponed, as there is no need for such a conference. Mr. Ariyoshi, Japanese Ambassador to China, will go to Peiping in the early part of September to visit North China.

Nanking's first mass marriage was held Aug. 10, in the auditorium of the Officers Moral Endeavor Association, under the auspices of the Municipal Government. Thirty-three couples were united in a ceremony at which Ma Chao-chun, Mayor of Nanking, officiated, and attended by over 3,000 enthusiastic spectators.

The appointment of Vice-Admiral Sir Charles J. C. Little as Commander-in-Chief of the China Station in succession to Admiral Sir Frederic Dreyer was approved by King George Aug. 10. Vice-Admiral Little will leave England for China about December 6 and will assume command sometime during January, 1936. Sir Charles was born in Shanghai on June 14, 1882.

The board of directors of *The China Press*, Inc., announced during the week the election of Dr. C. Kuangson Young, as managing-director and acting editor. At the same time the boards of directors of *The China Times*, *The China Evening News*, and *Shun Shih News Agency* announced the selection of Dr. Wei Tao-ming as general manager, and Stephen Wang as assistant general manager of the three organizations.

The Deliberative Council of the Academia Sinica will be formally inaugurated at Nanking on Sept. 7 and will be attended by the members of the Council as well as the President, General Secretary, and Directors of the various institutes of the Academia Sinica. The Council is composed of thirty eminent scholars and scientists from all over the country, divided into 14 groups: physics, chemistry, engineering, zoology, botany, geology, astronomy, meteorology, psychology, sociology, history, philology, archaeology and anthropology.

Karl Ericksson, a Swedish employee of the American Far Eastern Match Co., died in the Shanghai General Hospital Aug. 10 as a result of injuries which he suffered in an explosion at the at the company's factory in the Western District. Another foreign employee, J. Brendmoe, is in the hospital with serious injuries sustained in the same accident. No one else was hurt. The cause of the explosion, is being investigated by the Chinese authorities. The factory is on the north side of Soochow Creek, opposite Brenan Piece.

Fred. J. Rossiter, assistant commissioner of the U. S. department of Agriculture, stationed in Shanghai, departed this week for North China and Manchuria on a business trip.

It is reported that Frank to Hough, liquidator, will shortly file a number of suits in the U. S. Court for China against various executives and directors of the American Oriental Bank and allied Raven institutions.

At least one resident of Shanghai has not found the climate of Shanghai unhealthy. Mrs. John Prentice, wife of one of the founders of the Shanghai Dock and Engineering Co., now living in the French Concession, celebrated her eighty-eighth birthday Aug. 11.

Milton D. Purdy, former Judge of the U.S. Court for China, now President of the China Finance Corporation, departed from Shanghai on the s.s. *Empress of Canada* Aug. 11 for the United States, on a three months' vacation. Judge Purdy is to stop first in Honolulu.

The Shanghai *Mainichi* says about 140 pupils and students at primary and other schools maintained by the Shanghai Japanese Residents' Corporation have failed to pay their tuition fees for two months or more. This was blamed by the newspaper on the depression now prevailing in the local Japanese community.

Prof. J. Lossing Buck arrived here from South China Aug. 11 where he had been making a survey of conditions in the South-west of China, principally in the provinces of Szechuen, Kweichow, Kwangsi, and Kwangtung. Most of his work, in connection with the four provinces, was done in Canton, where he could keep an eye on the imports and the exports passing through that port destined to and from the outlying farms of the provinces. Professor Buck is in the Department of Agriculture in Nanking University. He was recently appointed to his post as observer by President Roosevelt.

One-third of Japanese women, who apply for jobs as sales-ladies maids, cooks, interpreters and housekeepers at the Shanghai Employment Agency are married, the Shanghai *Mainichi* stated Aug. 10, declaring that the phenomenon was directly traceable to the business depression that has gripped the Japanese community of Shanghai. However requests for medical and financial relief from destitute Japanese subjects, including Koreans and Formosans, have decreased following the establishment of a medical clinic by the Japanese Residents' Corporation.

H. F. Merrill, for three years Commissioner of Customs in Shanghai, and for 42 years connected with the Customs Service in China, died at his home in Cambridge, Massachusetts, on July 12, at the age of 82. Mr. Merrill came to China 1874, immediately after his graduation from Harvard. Accompanying him were three classmates, one of whom was Hosea Ballou Morse, author of "The Trade and Administration of the Chinese Empire" and other standard works. The late Mr. Merrill was one of the three referred to in this dedication by Mr. Morse, (written in 1907): "Thirty-three years ago four young men came to China direct from the walls of fair Harvard. To the other three the fourth dedicates this work."

***

American-Oriental Bank Joined as Defendant in Arnhold Case

An order joining the American-Oriental Banking Corporation as co-defendant in the suit brought by Arnhold & Co., against the Reyer Construction Corporation and the Asia Realty Company was issued by Judge Milton J. Helmick in the United States Court for China Aug. 14. The order was made on application presented by N. F. Allman, attorney representing the complainant.

Dr. George Sellett, attorney for the bank, was given five days to file answer. The suit brought by Arnhold & Company asks possession of a piece of land on Amherst Avenue to satisfy a $66,139.86 claim against the Reyer Construction Company. The plaintiff claims that the land was mortgaged to it as security for the indebtedness.

The point eventually to be decided in the case is the matter of "beneficial" (that is, the real) ownership of the land in question. According to evidence given at a previous hearing the land is rgistered in the name of the Asia Realty Co., who later transferred it to the American-Oriental Bank.

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Simpler Chinese Characters to Be Adopted in Move to Stamp Out Illiteracy

To help wipe out illiteracy and promote popular education, the Ministry of Education has approved a set of "abbreviated characters" in lieu of the ordinary characters now in use, and will put these simplified words into use from next January. A set of regulations governing the use of these simple characters, which is being formulated, will shortly be promulgated. It is understood that textbooks for free education and primary schools will be revised with the incorporation of the abbreviated characters in the texts.

Telephone Experts Will Cost Shanghai Taxpayers Approximately $80,000

The cost of the expert investigation of the local telephone system by four telephone authorities, specially engaged for this purpose by the Shanghai Municipal Council, is unofficially estimated in round figures at approximately $80,000. This estimate includes the fees of each of the four experts, their cost of transportation and their living expenses while engaged in their work here. It is estimated that the investigation of the system and the submission of the report will occupy two months. Three of the experts are now in Shanghai, namely, Major H. Brown (British), Professor S. Inada (Japanese) and Z. H. Hu (Chinese). J. G. Wray, American expert, is expected to reach here August 20.

It is mentioned in this connection that the British expert's recognized fee for an investigation of the type which he is to carry out here is 1,000 guineas, while that of the American expert is U.S.$6,000, which approximates the fee of Major H. Brown. Although no definite figure has been announced regarding the fees of the Chinese and Japanese experts, each of these is said to be approximately the same as those of the British and American experts.

Leading members of the Japanese community believe that the Shanghai Telephone Company should employ a Japanese in an executive c pacity so as to maintain smooth relations with its Japanese customers, the Shanghai *Nippo* said Aug. 11. Pointing out that the Shanghai Power Company, "had promptly realized the advisability of such a move" and secured the services of Tsuneo Yoshioka, a former employee of the Mitsui Co., the newspaper declares that many Japanese residents of Shanghai are advocating a similar step by the telephone company. The newspaper recalls that in former cases where the telephone company had employed a Japanese officials, the firm always had to discharge the man because of alleged dishonest behavior.

British Court Orders Seized Diamonds Returned to Owner

Magistrate Haines in the British Police Court in Shanghai Aug. 12 ordered that the diamonds, worth several hundred thousand dollars, which were seized from the offices of the China Diamond Cutting Works be returned to J. B. Ipekdjian, whose name was mentioned in the court proceedings as the owner. The seizure was made on June 24, and the charges brought against two British subjects, H. M. Gregory and F. R. Gabbott, of alleged smuggling were dismissed. Mr. Ipekdjian, who represents a large European diamond firm, returned to Shanghai last week. He stated in an interview that there was a great deal of smuggling of diamonds into China, but claimed that his own lot had paid duty three years ago. The whole trouble, he said, was the present high duty which existed. If the Chinese Maritime Customs would bring down the duty on imported stones they would themselves benefit. In one year, Mr. Ipekdjian said, before the duty on imported diamonds had reached its present height, the Customs received more revenue than during the past five years.

Diamonds Seized from Nanking Road Shop by Maritime Customs Order

Acting upon information that a large Chinese jewelry store at 639 Nanking Road was suspected of having smuggled diamonds to Shanghai, Settlement Police Aug. 12 seized 244 diamond rings, 21 pairs of diamond earrings, 13 diamond brooches, 26 diamond bracelets, 15 packets containing 1,634 small diamonds and eleven account books from said shop. The following day the Chinese Court ordered the valuables to be detained by the police until August 20 and the account books to be handed over to the Maritime Customs for immediate inquiries.

League of Nations Will Not Help Shanghai Russians

No immediate help will be forthcoming from the League of Nations to assist the Shanghai Committee for the prevention of traffic in women and children, according to a statement issued Aug. 12 by three members of the committee, E. J. Lloyd, H. E. Denny, and T. P. Homiakoff. Plans for the establishment of a hostel for Russian women and children here, however, are progressing under the energetic guidance of the Shanghai Committee and by next month, through the assistance of a Catholic Society which has lent suitable premises rent free, a hostel will be established here. Sir Victor Sassoon has come forward with an offer to give $1,500 of the $3,000 needed in the first three months, provided the balance can be raised from other sources.

In the United States Court for China

WARREN BRADBEER, Plaintiff, vs. GEORGE F. BRADBEER, Defendant.	Cause No. 3922 Civil No. 1845 ORDER Filed at Shanghai, China, July 31, 1935. William T. Collins, Clerk.

The object of this suit is an action for divorce

WHEREAS, plaintiff herein, by her attorneys, has this 30th day of July, 1935, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 31st day of July, 1935, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 30th day of July, 1935, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since March 25, 1933, and that defendant's last known address was care of 32nd Company, Royal Army Service Corps, Malta.

NOW, THEREFORE, it is this 31st day of July, 1935, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, Shanghai, China, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after 17th day of August, 1935, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 31st day of July, 1935.

MILTON J. HELMICK,

Judge.

THE TANAKA MEMORIAL

Much debated secret document outlining Japan's imperial policy of conquest—supposedly presented to the Emperor of Japan by Premier Tanaka on July 25, 1927.

Although officially repudiated, Japan has nevertheless followed the Memorial's recommendations since 1931.

Preparing for War with U. S. A.?

The Tanaka Memorial should be read by all students of the Far Eastern Question. Send for a copy, the price is only 10-cents, with an additional 5-cents for postage.

Address orders to

THE CHINA WEEKLY REVIEW

160 Avenue Edward VII

Shanghai.

New Books of Interest in the Far East

A Travel-log of Infinity

Through Space and Time, by Sir James Jeans, M.A., D.Sc., Sc.D., LL.D., F.R.S.; based on the Royal Institution Lectures, Christmas, 1933; published by the Cambridge University Press, London; 224 pages (including index) and 53 plates; price, 8s., 6d.

Your reviewer has spent a very long time with this volume not because it is difficult reading—quite the contrary,—but because it is a book that should be taken only in small quantities at long intervals, like Napoleon brandy.

In the beginning Sir James promises that "we shall travel—or pretend to travel—so far through space that our earth will look like less than the tiniest of motes in a sunbeam, and so far through time that the whole of human history will shrink to a tick of a clock, and a man's whole life to something less than the twinkling of an eye." The result is one of the most ineffably fascinating books that has ever been written, and one that is both inflating and deflating to human ego—for it is something to get puffed up about to know that human intelligence is capable of grasping as much knowledge as Sir James reveals, while it is rather dismal to contemplate the objective insignificance of man in the illimitable universe.

The scope of the book—which in presentation is frankly "adapted to a juvenile auditory" from eight to eighty—may be best revealed by the chapter headings: the earth, the air, the sky, the moon, the planets, the sun, the stars, the nebulae. The last named are rather distant places, the closest being a mere 800,000 light-years away (with light traveling about 6,000,000,000 miles a year), and also rather large, for it would take a rocket traveling at 5,000 miles an hour 90,000 years to traverse one of them.

In dealing with our own "tiny speck of dust in space," Sir James presents much that may be new to most persons about the discoveries of the ancient Greeks which were either ignored or outlawed during the long scholastic night of the Middle Ages while the "intellectual" part of the ruling class pondered such problems as whether souls developed before, during or after conception. Pythagoras, born 570 B.C., maintained the earth was globular. Heraclides of Pontus (about 385-315 B.C.) stated clearly that the earth rotated. Shortly afterward, Eratosthenes of Alexandria measured the earth's size through measuring the difference in direction between the rays of the sun when at its zenith in Assouan and at Alexandria. Thus he found the earth's surface curved through seven and one fifth degrees between the two places, and in this manner he calculated the circumference of the earth to be 24,662 English miles—which many centures later proved to be incorrect by less than one percent.

Still a little later, Aristarchus of Samos proposed that the earth and all the planets revolved around the sun, but the scholastics preferred the subsequent theory of Ptolemy of Alexandria (150 A.D.) which made the earth the center of everything. In consequence, Aristarchus was relegated to oblivion until Copernicus revived and Galileo proved his theory in the sixteenth century of our era.

The plates in the book are scarcely less wonderful—and awe-inspiring—than the text, and no better summary for either can be presented than Sir James' own in conclusion:

> "One particular nebulae was the birth-place of our own familiar friends, Sirius, Albebaran, Arcturus, and so on, as well as a far smaller and less brilliant object—our own sun. For millions of years, these and millions of other stars move blindly past one another, until finally we see our sun wander into the danger zone of a bigger star, and a cataclysm results out of which the planets are born—our earth among others. At first it is simply a ball of hot gas... then... life appears... gradually increases in complexity until finally, only a few minutes back on the astronomical clock, man emerges, and starts gradually and slowly to climb the long steep ladder of civilization. Yet only within the last few ticks of this clock has he concerned himself with the meaning of the nightly pageant of the sky... Only one tick ago the telescope was invented and gave us the means of finding out. Within that one tick almost all I have told you has been discovered, and many thousands of times as much besides. And with our knowledge of the skies increasing at its present rate, who shall say what strange surprises the next tick of the clock may have in store for us?"

Possibly the "next tick" may include a cosmic cataclysm like that out of which the earth was born—and thus solve all the subjectively important, but objectively inconsequential, problems that thereby developed. W. B.

Woman Writer Pays High Tribute to San Francisco

Beloved City, by Eleanore Farrand Ross. Illustrated by Julian Links. Press of Knight-Counihan, San Francisco, California, 1934.

The dedication of this little book "To all lovers of San Francisco" shows that it is distinctly a book for those who already know the city. It is not a history nor yet a guide book, but a series of vivid pictures and emotional responses to a city which combines much of beauty and variety. For one who has lived in San Francisco the pictures of Polk Street or Fisherman's Wharf or the flower sellers will bring a rush of memories. A person knowing the city but slightly will find here an invitation to know better Russian Hill, Golden Gate Park and the glorious skylines of the city. San Francisco has disclosed her moods to Miss Ross, who has kept the intimate touch in all the sketches.

A Soviet Sympathizer Views Changes in Asia

Changing Asia, by Egon Erwin Kisch. English version by Rita Reil. New York, Alfred Knopf, 1935. 267 pages, 19 illustrations, map, index. $3 gold.

"We shall change the map of the U.S.S.R." cried Stalin at the beginning of the Five Year Plans, but in this book one feels a change more fundamental than a change in the map. Here is described a change in the life and thought of peoples. That part of Asia which thrusts south to be bounded by the Caspian Sea, Persa, Afghanistan and Chinese Turkestan, called Soviet Central Asia, is the area to which Egon Erwin Kisch went for his study of a changed world under the Soviet regime.

More than sympathetic with Soviet ideals and methods, Kisch has approached his subject not only with the journalist's open eye for revealing anecdote and illustration, but also with invariable approval. That there is much to commend is undeniable, but one feels that a view of the other side, which must also exist, would give a truer picture. Kisch was one of the best known journalists of pre-war Austria. As a revolutionary he commanded some of the troops who seized Vienna after the war. A wellknown traveller in Europe, his books bear the qualities of a good raconteur—a keen eye, vivid expression and a flair for interpreting a locality through individual portraits.

Four days by airplane southeastward from Moscow brings one to Tashkent, the entrance to the states of Uzbekistan, Turkmenistan and Tajikistan. The actual goal of the journey was the Soviet Republic of Tajikistan, a grey plateau of the Pamirs touching British India and China. Tajikistan was admitted into the U.S.S.R. in 1929 as an independent Soviet republic. The state is about the size of Czechoslovakia and numbers a population of nearly a million and a half.

Until the time of the Soviet government no railway penetrated this area, but now from Tashkent one can get to the capital Stalinabad by way of Samarkand and Bokhara. (Names, these, with which to conjure!). Tashkent is described as a sprawling confusion of the old and new, of red and grey, of East and West, of feudalism and socialism, of Mahomet and Marx. Of Samarkand the author says, "In no other city have we seen a public square with such beautiful and colorful buildings as the Registan in Samarkand." Renovations of medieval mosques and palaces have been going on there despite the drive for modernization under the Five Year Plans, and so cleverly are the repairs done that it is impossible to tell what is new and what is from the sixteenth century.

The political authorities of this area now pay particulat attention to the racial and religious needs of the people. The communist policy was shifted after their disastrous experience at the Congress of Peoples of the East at Baku in 1920. Kisch does not touch upon the unsympathetic early attitude of the Soviet government. Tashkent is the seat of the Central Asiatic branch of the communist party, administering the Soviet Republics of Uzbekistan, Turkmenistan and Tajikistan, the autonomous republics of Kirghizistan and Kazakstan and the autonomous territory of the Kara-Kalpaks. A strong sense of relationship with the central government has been achieved, as is seen both in political and economic arrangements. Tajikistan, for example, can cover only twelve per cent of its expense budget by its own taxes; the remainder is given by the central government. In the days of the Emir thousands emigrated each year; today a veritable rebirth has occurred in every line of act activity.

> "Centuries have been skipped. Without passing through capitalism, without having learned to know exploitation through machinery, straight from the yoke of medieval feudalism, the land enters upon the era of constructive socialism, from individual to collective enterprise."

This area is the most important region in the Soviet Union's fight for self-sufficiency in the textile industry. The development of the cotton farms has continued in spite of bandits, in spite of lack of machinery and supplies. The scientific development of the silk industry is taking great strides forward. Eggs are sent out from the Greenage Institute in Tashkent or the supple-

mentary cocoon nurseries in Uzbekistan and Tajikistan. The idealistic appeal made to the workers in the silk industry, no less than in cotton, has resulted in a pride and a will to work which is further nourished by improved methods and materials and by aid from the central government.

The opening up of this area is the cultural, social, religious and industrial metamorphosis of a land where live the descendants of the medieval warriors. Until yesterday they were an agricultural people. Today the country of Jenghis Khan and Tamerlane speaks knowingly of collectives, quotas and shock troops.

F. M. R.

In Justice to Miss Agnes Smedley

The Editor, *The China Weekly Review* :—

The article on "The Confessions of Miss Agnes Smedley" in your August 3 issue, strikes me as a deliberate and grave injustice. Many political accusations have been levelled at Miss Smedley in the past but it is not the intention here to discuss the political opinions involved.

In the afore-mentioned article it was insinuiated that the books and articles—specifically on China and the Chinese Red Army—written by Miss Smedley are to be regarded as undependable and false. We are further told that she confesses her inability to tell the truth and to prove this we are given a quotation from her book "Daughter of Earth." It is in this quotation that she, as we are led to believe in the article, confesses her inability to tell the difference between the truth and what is not. But it is also here that the deliberate injustice is done.

The author of the article, in taking her quotation and leaving out the most important sentence in it, has changed and falsified the whole statement. The following quotation from "Daughter of Earth" is the same that appeared in the article except that here the sentence left out is underlined :

> "My mother continued to say that I lied. But I did not know it. I was never clear. What was truth and what was fancy I could not know. To me, the wind in the tree tops really carried stories on its back; the red bird that came to our cherry tree really told me things; the fat, velvety flowers down in the forest laughed and I answered; the little calf in field held long conversations with me; . . . .
>
> "It has been one of the greatest struggles in my life to learn to tell the truth. To tell something not quite true became almost an instinct. *In pain and tears I have had to unlearn all that my mother beat into my unformed mind.*"

Now I would like to ask why the most important statement in the quotation was left out? Why has the sentence in which the author made clear her meaning been, let us say, "overlooked"? If Mr. Burton had not ended his quotation where he did but had included the very next sentence, as has been done above, it would have been clear that the accusations were false. Either the phrase in question was deliberately left out or a trip to the opticians is necessary.

Furthermore if we are to be given a book review it should be a judgment based on the work itself and its ideas. Under no circumstances should a review degenerate into a sort of personal back-biting political attack. It is degrading and insulting to readers who read a review and find it to be a cover masking such venomou personal attacks. Far from enlightening us on the value of the book and its specific contribution it treats us to a low type of slander.

I have read the works of Miss Smedley with great pleasure and it is generally admitted in authorative circles that they are of high literary value. Although I am not thoroughly familiar with the political opinions and articles of Miss Smedley on China, I feel confident that the accusations put forth by Mr. Burton cannot be and are not the "perfect image of truth" since they are based on his false version of Miss Smedley's "self-confession".

JUSTISSIMO.

Shanghai, August 8, 1935.

Chinese Students Going to U. S. Attend "Get-Together"

More than two hundred Chinese university students, many of whom are sailing to the United States for advanced studies this summer, attended a "get-together" under the auspices of the World's Chinese Students Federation, 191 Carter Road, Shanghai, Aug. 10, when P. K. Chu, secretary general, gave them some hints on life in America. The first group of 40 students, including nine girls, sailed on the *President Coolidge* Aug. 13. Travelling on the same boat was General Chang Chih-kiang, director of the China Physical Culture Academy, Nanking, who is making a tour round the world to study physical culture. Sailing on the *President Jackson* on Aug. 20 will be the next group of 85 students; 25 students will leave Aug. 20 on board the s.s. *General Lee*: 50 will sail on board the *Empress of Russia*, and the last contingent of 30 students will leave on board the *President Lincoln* on Aug. 31.

In the United States Court for China

HENRY WILTON HAPPELL, Plaintiff, vs. OGZILLE HAPPELL, Defendant.	Cause No. 3929 Civil No. 1851 ORDER OF PUBLICATION Filed at Shanghai, China, August 9, 1935. William T. Collins, Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorneys, has this 9th day of August, 1935, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 9th day of August, 1935, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 9th day of August, 1935, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has she resided therein since 1926, and that defendant's last known address was Care General Delivery, Oakland, California, U.S.A.

NOW, THEREFORE, it is this 9th day of August, 1935, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, Shanghai, China, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 31st day of August, 1935, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shangha, China,

this 9th day of August, 1935.

MILTON J. HELMICK,

Judge.

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Pan-American "Flying Clipper" Makes Another Trans-Pacific Trip

The giant *Flying Clipper* of Pan-American Airways, which has already made two successful test flights to Honolulu from the Pacific Coast, arrived in Honolulu Aug. 10 on its first commercial flight to Honolulu from Alameda, California. It made a record trip—of only 17 hours 9 minutes for the 2,400-mile journey, breaking its previous time by 50 minutes.

Eurasia Plane Makes Successful Sian-Chengtu Flight

After having encountered two failures, the test flight over the projected Sian-Chengtu Airway finally ended in success Aug. 8 when the airplane of the Eurasia Aviation Corporation made a non-stop flight from Chengtu to Sian. The plane took off from Chengtu at 10 a.m. and landed at Sian to 3.30 p.m., thus completing the journey in 5 hours 30 minutes.

The first test flight from Sian to Chengtu failed on account of foggy weather and the plane, shortly after hopping off, had to abandon the trip. In its second attempt, owing to bad weather again, the plane had to deviate from its projected course, and instead, flew from Sian to Hankow whence it proceeded to Chengtu following the route of the China National Aviation Corporation.

Italian Gift Plane is Flown to Chengtu

Commanded by Col. S. Scaroni, the Italian airplane, "Savoia Marchetti" S.72, a personal gift from Signor Mussolini to Gen. Chiang Kai-shek, left the Hungjao Airdrome for Nanchang Aug. 13. Capt. A. Tondi, a pilot, left on the same plane, which will be flown to Chengtu to be presented to Gen. Chiang.

Eurasia Aviation Corporation Starts Sightseeing Trips Over Shanghai

The Eurasia Aviation Corporation Aug. 11 commenced a series of sight-seeing tours over Shanghai. Large crowds of people flocked to the Lunghwa Airdrome, each and all willing to pay $7.50 for the privilege of a fifteen minutes' flight in the six-seater Junkers monoplane. It was, however, stipulated that the plane would not start unless there was a full complement of six passengers, bringing in a revenue of $45 for the trip.

Soviets Begin Work on 16 "Gorky" Type Planes

Construction of sixteen monster airplanes of the "Maxim Gorki" type has just begun, according to an official announcement from Moscow. Each plane will have six engines totalling 1650 h.p., be capable of attaining a velocity of 275 kilometers per hour, to reach an altitude of 6,000 meters and will have a radius of action of 3,000 kilometers. Each airplane will be named after one of the leading men in the Soviet Government or the Communist party and will be able to carry a crew of 60 to 70.

Italian Plane Wrecked in Egypt—Seven Persons Killed

Seven persons, including Signor Luigi Razza, the Italian Minister of Public Works, lost their lives, as the result of the disappearance of an Italian plane after it had left Cairo Aug. 7 in the course of a flight from Rome to Massawa, in Eritrea. Sabotage is suspected to have been the cause of the fatal crash, as the machine left Cairo in perfect order and in perfect atmospheric conditions. The ill-fated machine, a triple-engined Savoia Marchetti monoplane, was carrying a crew of four, and three passengers, at the time of the disaster. All of them were killed. Signor Razza, who was among the victims, was on his way to Eritrea to inspect the works there. A former editor of the Italian journal, *Popolo d'Italia*, he was a pioneer in Fascism, and was one of the Italian delegates to the International Labor Office.

Chinese Mission in Japan Reported to Be Seeking to Buy Japanese Planes

The Tokyo *Kokumin*, Nationalistic organ representing Japanese military groups, Aug. 11 said that Major Chow and four others, comprising a Chinese military mission who are now in Japan, have received special orders from Nanking to conduct a series of conferences looking toward purchases of Japanese planes.

The conferences, according to the *Kokumin*, would be held with officials of the Japanese War Office, who would be requested to use their influence to enable Chinese military leaders to purchase the latest and most efficient Japanese aircraft. An earlier report that the mission had gone to Japan for the sole purpose of buying Japanese planes was denied both in Tokyo and in China.

Panama Air Defenses to Be Improved

The United States is taking steps to improve the anti-aircraft defenses in the Canal zone by the installation of radio detectors throughout the Republic of Panama. This step has been dictated to a large extent by concern over the growing expansion of Japan in South America. Japanese activity has been centred in Costa Rica and Salvador where they have obtained fishing concessions in the South. These concessions are believed to be the first step in a Japanese campaign to conclude commercial treaties with Central American countries.

Civilian Planes May Not Fly Over Aleutian Military Base

In an executive order Aug. 12 President Roosevelt prohibited civil aircraft from flying over "that part of the Aleutian islands, with their territorial waters, lying West of the 160 Meridian." The group is listed in the "airbase reservations" set aside for Governmental purposes. President Roosevelt said the order was issued "for reasons of public safety."

Other major U.S. defense developments are:

1.—Signing of the Wilcox Airbase bill which creates a far-flung frontier defense system.

2.—The announcement that the powerful mystery bombing airplane is preparing to enter the army air corps competition at Dayton, Ohio, on August 22.

British to Build Great Air Base At Portsmouth

A mammoth air base is to be established near Portsmouth by the Air Ministry and Imperial Railways, according to the *London Evening Standard* Aug. 13. The base will be available not only for passenger planes but for airplanes, and all Imperial services, as well as the planned transatlantic service, will be transferred from Croyden to Portsmouth, the paper said. Only planes bound for the Continent will leave thereafter from Croydon airport.

Japanese Didn't "Ask" Chinese to Place Ban on "Vanity Fair"

Japanese consular officials in China Aug. 12 denied press reports that they had asked the Chinese authorities to impose a ban on the sales in China of the August issue of the American Magazine "*Vanity Fair*" because it contained a cartoon regarded derogatory to the Japanese Emperor. Also denied was the Chinese official intimation that Japanese consular officials throughout China would visit schools, Kuomintang offices and hsien magistracies to inquire into the sentiment and attitude of the Chinese people towards Japan.

"We have not requested Chinese authorities to ban the sales of the August issue of *Vanity Fair*, a spokesman for the Japanese Consulate-General told *Rengo*. "It is true that we have called the attention of the Chinese authorities to the fact that should Chinese newspapers reprint the objectionable cartoon, a regrettable situation might arise. The Chinese officials readily concurred in our views and immediately issued a warning to all censorship bureaus on the basis of the recent edict to the Chinese government against acts which might endanger friendly relations with neighboring nations. If the Chinuse authorities wish to ban the sales of the magazine on their own initiative that is something we have nothing to say about, but we have never asked for such a step," the spokesman said.

Referring to a press report quoting an allegedly official Chinese document to the effect that the Japanese Foreign Office had instructed its representatives in China to "send delegates to inspect the political, Kuomintang and educational organizations in regard to anti-Japanese speeches," the spokesman said it was without foundation.

"We are confident that the Chinese officials will sincerely carry out the injuctions contained in the Nanking Government's order against anti-foreign agitation," he added. "Instructions, such as those intimated in alleged Chinese official document were never issued by the Gaimusho."

Seattle Mayor Writes Japanese Consul General That No Offense Was Intended

That no offence was planned or intended was the keynote of a letter sent by the Mayor of Seattle to the Japanese Consul-General in Seattle, Aug. 12 in connection with the incident during a club "rag" last week, when the Emperor of Japan was represented as pulling a ricsha containing the Emperor of Ethiopia. "Please accept my assurance," the Mayor wrote, "that the proceedings were not planned to bring reproach or ridicule upon His Majesty or your country. The offending incident did not occur at a city function but at a small community affair."

The Seattle incident was reported by Japanese Charge d'Affaires, Seijiro Yoshizawa, to Stanley K. Hornbeck, Chief of the Far Eastern Division of the Department of State, Aug. 10. J. A. Hibbard, impersonating Emperor Hirohito of Japan, pulled a ricsha carrying C. G. Bean, who was garbed to portray Emperor Haile Selassie of Abyssinia.

"Vanity Fair" Editor Allegedly Expresses Regret

According to the *United Press*, Frank Crowinshield, editor of *Vanity Fair*, Aug. 8 addressed a letter to H. Saito, Japanese Ambassador to the United States regretting the recent caricature in his magazine which had offended the Japanese people. Mr. Crowinshield said he particularly regretted that Japanese readers of *Vantty Fair* mistook the military carriage for a ricksha.

In some telegrams the vehicle which the Emperor was depicted as pulling was described as a "gun carriage," in others as a "ricsha." As a matter of fact, as can be seen from copies of *Vanity Fair* which have arrived in Shanghai, it is neither. The vehicle is distinctly a handcart of the type which Japanese use in delivering groceries, vegetables and the like.

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Latest New York Stock Exchange Quotations

August 14, 1935
Stock Exchange — Business Done:-
Total Volume: 2,360,000 Shares

1934-35 High	1934-35 Low	Div. $ per sh.	STOCKS	Last Sale Aug. 12	Last Sale Aug. 13
11⅞	4⅜	—	Adams Express	8¼	8⅛
146	90¼	4.00	American Can	142½	142½
22½	14⅝	0.40	Amer. Cyanamid "B"	21	22⅛
13⅜	2	—	American & For. Power	7⅞	8⅛
41	11¾	—	American & Foreign Pwr. $7 pref.	41	40⅜
18¼	10	—	American Radiator & S.S.	18¼	18½
137⅜	99¼	9.00	American Tel. & Tel.	137⅜	140½
100½	67	5.00	American Tobacco "B"	99¼	98⅜
27⅝	7¼	—	American Waterworks	15	15¼
17⅞	8	—	Anaconda Copper	17½	17⅜
73⅞	36⅝	2.00	Atchison, T. & S. Fe	53⅜	53½
57⅝	15	—	Auburn	26	26½
34½	7⅞	—	Baltimore & Ohio	15⅜	15⅜
49¼	22½	—	Bethlehem Steel	36¼	36¼
11⅞	6½	—	Boeing Airplane Co.,	11	11
49⅜	16¼	1.50	Borg Warner	48	47½
18¼	9¾	—	Canadian Pacific Railway	10⅜	10¾
88¾	35	—	Case, J. I.	67¾	67¼
54⅞	23	1.00	Caterpillar Tr.	53½	53¾
40¾	15⅞	1.40	Chase National Bank	34½	35⅜
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36⅜	15¾	0.60	Coml. Solvents	19⅞	19⅜
3¾	0⅜	—	Commonwealth & Southern (ord.)	2½	2⅜
47⅜	16¼	1.00	Consolidated Gas of N. Y.	32⅜	33⅞
14¼	6½	0.28	Consolidated Oil	8⅝	9
23	15½	0.25	Continental Oil	21½	21⅜
84½	55½	3.00	Corn Products	71	70
30	14½	—	Douglas Aircraft	29½	28¾
111	80	2.60	Du Pont de Nemours	110½	110½
23½	3¾	—	Electric Bond & Share	16⅝	17½
17⅝	8¼	—	Fox Film "A"	16¼	16¼
31	16⅞	0.60	General Electric	31	31⅛
37½	28	1.80	General Foods	36⅞	36⅞
45⅜	24⅝	2.00	General Motors	44⅜	44⅜
45⅜	13¾	1.00	General Railway Signal	34	34½
23	14½	1.20	Gold Dust	16½	16½
41⅜	16	—	Goodyear Tire & Rubber	21⅜	21⅜
60¾	33¼	1.00	Humble Oil	58¼	58¼
29¼	21	0.80	International Nickel	28½	28⅞
17⅜	5⅝	—	International Tel. & Tel.	12½	12⅜
66⅜	39	0.25	Johns Manville	63⅞	64⅜
23½	14	0.60	Kennecott	21⅛	21¼
43⅜	20⅜	2.00	Loew's Inc.	41⅛	42
24⅜	15⅜	1.20	Lorillard	24⅜	24½
77	39	1.00	Monsanto Chemical	73	72⅝
35⅜	20	—	Montgomery Ward	35⅜	35⅞
43	16⅞	1.00	National City Bank	31⅛	31⅞
18⅜	13	1.20	National Dairy Prods.	15⅝	15¼
31⅜	16	2.00	National Distillers	26⅝	26½
15½	5	0.80	National Power & Lt.	11⅜	12⅜
45½	12¼	—	New York Central	23⅜	23⅛
25¼	9½	1.00	North American	23½	23⅜
28½	12⅜	1.50	Pacific Gas & Electric	27⅜	27⅝
43¼	19	2.40	Pacific Lighting	43½	43½
6⅜	2¾	—	Packard Motors	4⅞	4⅞
80¼	51½	2.00	Penney, J.C.	80	79¼
39½	17¼	1.00	Pennsylvania Railroad	28½	28¼
23¾	13	1.00	Phillips Petroleum	23⅜	24¼
45	20⅜	2.40	Public Serv. of N.J.	42¼	43⅞
8¼	4	—	Radio Corporation	7⅜	7⅝
62⅞	43¼	3.00	Reynolds Tobacco "B"	54⅝	54⅞
32⅝	17½	—	Schenley	32½	31⅜
58⅜	31	0.75	Sears Roebuck	58⅝	58½
19⅞	11	0.30	Socony-Vacuum	12¼	12
22½	10½	1.50	Southern California Edison	20⅝	20⅝
33⅜	13	—	Southern Pacific	20⅜	20⅜
25¼	13¾	1.00	Standard Brands	14⅞	14⅞
17	1⅜	—	Standard Gas & Electric	8	8¼
50½	35⅝	1.00	Standard Oil Co. of N. J.	47	46½
67	47¼	3.80	Sterling Products	65¾	67½
43¼	29	2.00	Texas Gulf Sulphur	34	34⅜
8½	5	0.30	Transamerica	8	8
65	35⅜	1.60	Union Carbide & Carbon	63¾	65½
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7½	3¾	—	United Airline Trans.	7½	7⅛
8⅜	1½	—	United Corporation	5	6
20½	9⅝	1.00	United Gas Improvement	17½	12⅝
66¼	40¼	2.00	Universal Leaf	62	61¾
64¾	32	—	U.S. Indus. Alcohol	44	42½
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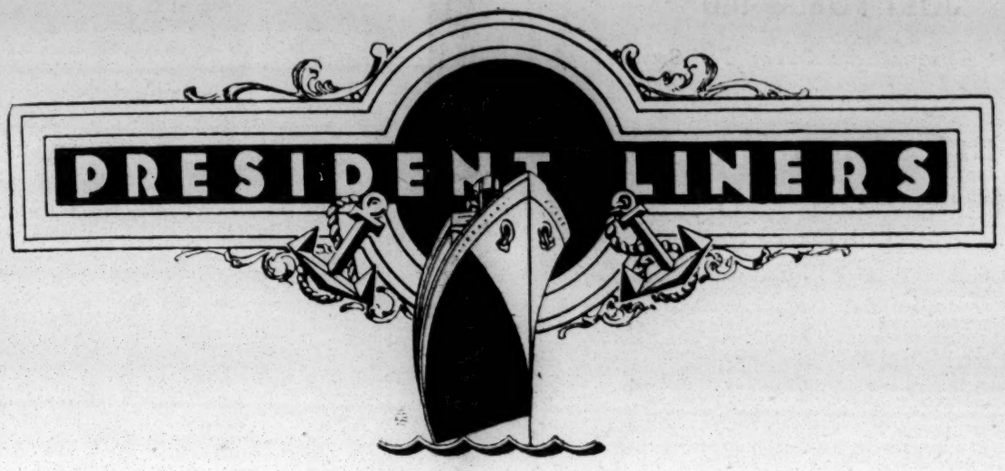

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